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DAILY REPORT

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TRADE REPRESENTATIVE YEUTTER MEETS OFFICIALS

Confers With LDP's Fujio

0W121105 Tokyo KYODO in English 1021 GMT 12 Aug 85

[Text] Tokyo, Aug. 12 KYODO -- U.S. Trade Representative Clayton Yeutter Monday reiterated his call for Japan to "visibly" reduce its trade surplus, though he said he appreciated a package of measures for market-opening announced by the government July 30. He made the call in a meeting with Masayuki Fujio, chairman of the ruling Liberal-Democratic Party (LDP) Policy Affairs Research Council, on bilateral trade friction and Japan's market-opening efforts, LDP officials said.

Fujio pledged to "give instructions to immediately purchase communications satellites." Fujio also said that All Nippon Airways Co. (ANA) and other airlines are considering buying 13 to 15 passenger jetliners, and that an offer to buy helicopters is also being prepared.

Yeutter spoke of the "closed nature" of the Japanese market, while Fujio countered that "the Japanese market is not as closed as you might think," citing successful American businesses here such as Coca-Cola, Kentucky Fried Chicken and McDonald's hamburgers.

On the question of boosting domestic demand in Japan, Fujio said it would be necessary to raise Japan's social capital to the level of other advanced nations [words indistinct] make investments in research and development of high technology. He also said that Japan and the U.S. should strive to better the yen-dollar exchange rate, which he said is a basic cause of the economic problems between the two countries.

Talks on Telecommunications

0W121301 Tokyo KYODO in English 1134 GMT 12 Aug 85

[Text] Tokyo, Aug. 12 KYODO -- Visiting U.S. Trade Representative Clayton Yeutter Monday expressed hope that Japan will continue its market-opening effort in the telecommunications equipment field. In his meeting with Moriya Koyama, vice minister of posts and telecommunications, Yeutter accordingly urged Japan to open its market to foreign wireless equipment, including automobile phones. He warned of persistent disgruntlement within the U.S. Congress, saying deliberations there on retaliatory legislation against Japan might be stepped up in September.

In reply, Koyama said Japan is doing the best it can to open the market, and requested U.S. understanding for its efforts. Earlier in the day, Yeutter paid a courtesy call to Hisashi Shinto, president of Nippon Telegraph and Telephone Corp. (NTT) to discuss NTT's equipment procurement from U.S. firms. Shinto told Yeutter that U.S. telecommunications companies have acted positively in meeting Japan's technical requirements.

In another meeting, Yeutter met Tomomitsu Oba, vice finance minister for international affairs, and other officials. There, he praised Japan's efforts to liberalize its capital and financial market as agreed in last June's bilateral government consultations. Oba said such liberalization will lead to development of Japan's financial market as well as to strengthening of the yen's exchange value in the long term.

Yeutter also asked the Finance Ministry to help U.S. tobacco makers increase their market share in Japan and to see to it that All Nippon Airways (ANA) buys American Boeing aircraft.

Meeting With Nakasone

OW130457 Tokyo KYODO in English 0444 GMT 13 Aug 85

[Text] Tokyo, Aug. 13 KYODO -- The administration of U.S. President Ronald Reagan opposes voluntary export controls by Japan but expects Japan to purchase U.S. satellites, telecommunications equipment and aircraft, U.S. Trade Representative Clayton Yeutter told Prime Minister Yasuhiro Nakasone on Tuesday.

Yeutter cautioned Japan against voluntarily holding down its exports to the United States as a step to correct the trade imbalance between the two countries, which totaled a record 37 billion dollars in Japan's favor in 1984. The U.S. trade representative emphasized that Reagan is against such a measure but favors free market mechanism, a Japanese official said.

Nakasone said his government is giving top priority to implementation of its three-year action program aimed at giving foreign imports greater access to Japanese markets, the official said after the meeting, which lasted one hour instead of the scheduled 30 minutes. Commenting on American concern about voluntary export curbs, Nakasone said Japan will not allow exports to flood overseas markets "like torrential rain."

The chief U.S. trade official, while acknowledging Nakasone's personal market-opening initiatives such as the action program, warned that protectionism is likely to continue in Congress for the remainder of this year and possibly until next year's mid-term election. Yeutter requested Japan to produce "visible" results by purchasing such major items as satellites, telecommunications products and aircraft from the United States, according to a participant in the meeting.

Nakasone said that since his government announced the action program on July 30, the Ministry of International Trade and Industry (MITI) has boosted the number of major companies with plans to purchase foreign products from 60 to 130.

Yeutter arrived in Tokyo Sunday on his first overseas trip as U.S. trade representative, a post he assumed in late June. He and MITI Minister Keijiro Murata agreed during their talks Monday to set up a new forum for trade negotiations on semiconductors.

Yeutter said in his meeting with Nakasone that his government plans to settle the trade problems with Japan constructively without resorting to rhetoric, the Japanese official said. The U.S. trade representative will meet Japanese business leaders Tuesday afternoon. He will hold talks with Foreign Minister Shintaro Abe and Agriculture, Forestry and Fisheries Minister Moriyoshi Sato on Wednesday morning.

Address to Journalists

OW130955 Tokyo KYODO English 0850 GMT 13 Aug 85

[Text] Tokyo, Aug. 13 KYODO -- Clayton Yeutter, United States trade representative, said Tuesday he wants the Japanese Government and people to genuinely open their markets and become vigorous buyers of American products. Speaking at the Foreign Correspondents' Club of Japan, Yeutter said that while the series of announcements by Japan on market-opening measures are not enough, their implementation is of key importance.

"Results are the ultimate measure of success, and thus far the results are modest at best," he said. Yeutter, who arrived in Japan Sunday for a four-day visit, said. "unfortunately, our trade relationship is very one-sided." "In 1984, Japan's trade surplus with the U.S. reached 37 billion dollars. This year, it may reach 50 billion dollars or even higher," he said. "These numbers cannot be sustained for long. The trend must be reversed."

He said, however, that the trend should not be reversed via Japanese export restraint measures, as export restraint is not a substitute for giving market access to imports. "I do not want to see fewer Japanese exports to the U.S.," he said. "I want to see more U.S. exports to Japan."

Yeutter, however, said neither the U.S. Congress nor the Administration can long tolerate America's global trade imbalance of 150 billion dollars per year. He said there are now 200 trade bills pending the U.S. Congress, many of them directed at Japanese trade practices. "A number of those bills will come to a vote within the next 90 days," he said. "So we must all respond." The interests of the entire world are at stake, he said.

"The administration is determined to counter unfair trade practices," he said. Yeutter said Japan should apply the same level of commitment to its importing endeavors as it does to its exporting endeavors. He said the Japanese market-opening action program announced July 30 would be valuable, but it was only a step. "We are a long, long way from the ultimate objective of dealing satisfactorily and appropriately with all of the trade problems that presently separate us," he said.

Yeutter said both Japan and the U.S. are going to have to deal with these questions skillfully, directly and with a great commitment of time and efforts. He said the trade relationship between the U.S. and Japan is extremely important and both nations have to handle their economic relationship with care over the next several months.

Asked about what he most wants to see in Japan's market-opening efforts, Yeutter said his immediate answer would be the implementation by Christmas of the action program and the additional market-opening measures that were announced ahead of the program.

The action program is Japan's schedule for the next three years of market-opening steps, including tariff cuts on some 1,850 items and simplification of standards and certification systems.

Yeutter said his first overseas trip as the top U.S. trade officer is not a "negotiating trip" but is aimed at finding out how the Japanese Government and people are reacting to the trade challenges that are confronting them. He said he is seeking to assess the political and economic environment in which the U.S. must make decisions and establish policy over the next several months as well as the coming three-and-a-half years.

Yeutter said that after returning to the U.S. he would reassess the U.S.-Japan trade relationship and decide whether a revision needs to be made in U.S.-Japan trade strategy.

Yeutter, who took up his current post July 1, said if revision is needed, it is vital to assess how it would fit into the overall U.S. trade strategy.

'RADICALS' CLAIM RESPONSIBILITY FOR JAL CRASH

OW130359 Tokyo KYODO in English 0350 GMT 13 Aug 85

[Text] Tokyo, Aug 13 (KYODO) -- Two callers who identified themselves as radicals claimed they had "exploded" the Japan Air Lines jumbo jet which crashed Monday night, police said Tuesday. Officials at the Public Security Division of the Metropolitan Police Department said they were investigating the two calls. But police sources say they believe the calls were hoaxes, as radical organizations in Japan do not normally carry out indiscriminate bombing.

The first telephone call was received at around 7:48 p.m. Monday at the Defense Agency, just under an hour after the plane disappeared from radar screens. A spokesman at the agency said the caller identified himself as a "radical" and claimed to have "shot down JAL flight 123."

The second telephone call was made to a JAL branch office in Tokyo at around 8:03 p.m. Monday, an hour after the JAL jumbo disappeared from radar screens, a JAL official said.

The caller, also a man, told the JAL female employee in the reservation office that "we exploded (the plane) with our power," and then rang off, the official said.

FINANCE MINISTER ON EFFECTS OF SANKO BANKRUPTCY

OW130525 Tokyo KYODO in English 0412 GMT 13 Aug 85

[Excerpts] Osaka, Aug 13 (KYODO) -- The financially-troubled Sanko Steamship Co. filed an application with the Kobe District Court Tuesday for relief under the Corporate Rehabilitation Law, in effect declaring itself bankrupt, company officials said.

State Minister Toshio Komoto, who submitted his resignation to Prime Minister Yasuhiro Nakasone Monday to take "political responsibility" for the Sanko case, told reporters he wants to see the bankrupt firm recover in a spirit of steadfastness. Komoto was previously the president of Sanko. The virtual bankruptcy of Sanko Steamship and its affiliated firms will mean considerable economic losses for various major trading and shipbuilding companies which have dealings with the tanker firm, industry sources said.

Finance Minister Noboru Takeshita said he fears the Sanko case will inevitably affect financial institutions and other sectors to some extent. He directed his aides to examine the health of financial institutions and prevent any adverse repercussions on smaller enterprises.

Transport Minister Tokuo Yamashita told reporters the ministry will cooperate in the smooth rehabilitation of Sanko Steamship, while asking the parties concerned to avoid damaging the trust which the world has in the Japanese shipping industry. He said the government will take necessary steps to promote the scrapping of surplus ships, a structural issue facing the Japanese industry.

A senior Bank of Japan official said there is no reason to fear further bankruptcies arising from the Sanko case. He said he is confident that creditor banks of Sanko can overcome the situation.

Takao Fujimoto Replaces Komoto

OW130937 Tokyo NHK Television Network in Japanese 0910 GMT 13 Aug 85

[Text] Prime Minister Nakasone has formally accepted the resignation of State Minister Toshio Komoto who had tendered his resignation because of the Sanko Steamship issue and has tentatively appointed Mr Takao Fujimoto of the LDP's Komoto faction, who has no previous experience as a cabinet member, to succeed Komoto as state minister, director general of the Okinawa Development Agency. Prime Minister Nakasone has just now made this decision after consulting with LDP Secretary General Kanemaru at his official residence.

Mr Fujimoto, who is 54 years old, is from Kagawa Prefecture. He graduated from the College of Law of Tokyo University. Succeeding his father, Mr Fujimoto was elected to the House of Representatives from Kagawa Prefecture in 1963. Since then, he has been elected to the House on seven occasions.

LIVING STANDARDS POLL SHOWS RECORD SATISFACTION

OW120319 Tokyo KYODO in English 0208 GMT 12 Aug 85

[Text] Tokyo, Aug. 12 KYODO -- A record 70.6 percent of the Japanese people say they are satisfied with their present standard of living, according to a nationwide public opinion poll released Sunday. The Prime Minister's Office, reporting the poll, said it is the highest figure to give such a response since the first such poll was conducted in 1958.

The previous record was set in last year's survey, when 65.4 percent of those questioned said they were satisfied with their living standards. Some 88.5 percent of those surveyed this year said they regard themselves as middle class, with only 0.5 percent identifying themselves as upper class and 8.1 percent as lower class, according to the survey. But a detailed examination of the survey shows the ratio of people identifying themselves as upper middle class is decreasing, while those saying they belong to the middle and lower middle classes are increasing.

The survey, conducted in May, covered 10,000 men and women and 78.8 percent of them responded to the questionnaire, according to the Prime Minister's Office. It said 37.7 percent of those surveyed want the government to cut taxes, which replaced stability of commodity prices as the No. 1 issue in the list of their requests to the administration. Improvement of social security and welfare provisions comes second, referred to as the No. 1 issue by 32.3 percent in the poll. Stability of commodity prices, mentioned by 30.8 percent of those polled, had dominated the top post of the list in all the previous surveys.

The survey also found:

-- While 24.4 percent of the people expect improvements in their future livelihood, 55 percent say their standards of living will remain unchanged.

-- Those pursuing "spiritual affluence" soared to a record 49.6 percent but people looking for "material richness" dropped to an all-time low of 32.9 percent.

SOVIET GROUPS ARRIVE FOR ANNIVERSARY CELEBRATIONS

SK130502 Pyongyang KCNA in English 0438 GMT 13 Aug 85

[Text] Pyongyang, August 12 (KCNA) -- Many Soviet delegations flew to Pyongyang today to participate in the celebrations of the 40th anniversary of the liberation of Korea.

They are a delegation of the Ministry of Interior of the Soviet Union headed by Vice-Minister Kirill Vostrikov; a Soviet trade union delegation headed by secretary of its Central Council K. Matskyavichus; a delegation of the Lenin Young Communist League headed by secretary of its Central Committee V.V. Andrianov; a delegation of the Ministry of Civil Aviation headed by First Deputy Minister Boris Panyukov; a delegation of the Soviet State Committee for Science and Technology headed by Mikhail Kruglov, vice-chairman of the Soviet State Committee for Science and Technology and chairman of the Soviet side to the Standing Committee of the Soviet-Korean Scientific and Technological Cooperation; a delegation of the Soviet film committee headed by V. Desyaterik, vice-chairman of the committee and general director of Mosfilms; a delegation of the Union of Soviet Societies of Friendship and Cultural Relations with Foreign Countries and the Soviet-Korea Friendship Society headed by Yevgeniy Ivanov, first vice-chairman of the Presidium of the union; a delegation of the TASS news agency headed by Deputy Director General Yu. Romantsov; a delegation of the Ministry of Forestry, Pulp, Paper-Making and Timber Processing Industry headed by Vice-Minister N. Savchenko; a delegation of the Moscow Soviet headed by Vice-Chairman of its Executive Committee A.N. Ershov; a delegation of IZVESTIA headed by its Deputy Editor Lev Korneshov; a delegation of APN news agency headed by its Deputy Director General S. Medvedev; a delegation of the Foreign Trade Bank headed by Vice-President V.V. Levchenko; a delegation of the Combined Institute of Nuclear Researches in Dubna headed by M.G. Mesheryakov, director of Calculation Engineering and Automation Laboratory; a delegation of the Women's Committee headed by Anna Melnik, secretary of the Presidium of the Supreme Soviet of the Moldavian Soviet Socialist Republic, member of the Central Committee of the Communist Party of Moldavia and member of the Soviet Women's Committee; a delegation of the Soviet Writers' Union headed by its Secretary Alim Keshokov; a delegation of the Soviet Afro-Asian Solidarity Committee headed by N.M. Balayan, its vice-chairman and secretary of the Council of the Trade Unions of Armenia; a delegation of the scientific and technical associations of the Soviet Union headed by Section Chief V. Marunin, and Pavel Volpyanski, a journalist of TRUD, the organ of the Central Council of the Soviet Trade Unions.

The guests were met at the airport by Kim Yong-chae, minister of communications and chairman of the Central Committee of the Korean-Soviet Friendship Society; Choe Tae-pok, chairman of the Education Commission; Kim Pong-ul, minister of labor administration; and other personages concerned and a large crowd of working people in the city. Soviet Ambassador to Korea Nikolay Shubnikov and his embassy officials were also present.

Aliyev-Led CPSU Delegation

SK130936 Pyongyang Domestic Service in Korean 0745 GMT 13 Aug 85

[Text] A Soviet party and state delegation led by Comrade Geydar Ali Rza oglly Aliyev, member of the Politburo of the CPSU Central Committee and first deputy chairman of the USSR Council of Ministers, arrived in Pyongyang this morning by a special plane to participate in a function celebrating the 40th anniversary of the liberation of the fatherland.

Thousands of people holding the national flags of our country and the Soviet Union and wreaths gathered at the airport. Respectfully posted among the welcoming crowd were the portraits of the great leader Comrade Kim Il-song and Comrade Mikhail Sergeyevich Gorbachev, general secretary of the CPSU Central Committee. Posted along the sides of the road were such slogans as: "Long live the great leader Comrade Kim Il-song, Comrade Mikhail Sergeyevich Gorbachev, the glorious WPK, and the CPSU!". The national flags of our country and the Soviet Union were hoisted on flag poles. Also posted before the welcoming crowd were such slogans as: "We warmly welcome the Soviet party and state delegation," and "Long live the invincible and fraternal friendship between the Korean and Soviet peoples!"

The welcoming people were overflowing with joy in greeting the Soviet guests, class brothers and comrades-in-arms who aided, with blood, the struggle of our people to achieve the liberation of the fatherland, significant in this year greeting the 40th anniversary of the fatherland.

The plane carrying Comrade Geydar Ali Rza oglly Aliyev and his entourage landed at the Pyongyang airport. Waving their hands, the people in the welcoming crowd warmly welcomed the guests who have come, cherishing the feeling of friendship from the Soviet people to our people greeting the 40th anniversary of the liberation of the fatherland.

Together with Comrade Geydar Ali Rza oglly Aliyev, Polyakov, deputy chairman of the Presidium of the USSR Supreme Soviet and chairman of the Presidium of Belourussian SSR Supreme Soviet; Chernyy, first secretary of Khabarovsk Dray CPSU Committee; and members of the delegation have also arrived.

A member of the Youth Corps gave a wreath to Comrade Geydar Ali Rza oglly Aliyev.

Greeting the guests at the airport were Comrade Kang Song-san, member of the Political Bureau of the WPK Central Committee and premier of the Administration Council; Comrade Kim Hwan, member of the Political Bureau of the WPK Central Committee and vice premier of the Administration Council; Yang Hyong-sop, chairman of the Standing Committee of the Supreme People's Assembly, (Chong Min-son), deputy department chief of the WPK Central Committee, and (Kim Chong-il), deputy department chief of the Ministry of Foreign Affairs.

Nikolay Shubnikov, Soviet ambassador extraordinary and plenipotentiary in our country, and staff members of his embassy were on hand at the airport.

A ceremony was held at the airport to welcome the Soviet party and state delegation led by comrade Geydar Ali Rza oglly Aliyev. Comrade Geydar Ali Rza oglly Aliyev reviewed the KPA honor guard with Comrade Kang Song-san and observed marchin review.

Groups Lay Wreaths at Obelisk

SK130515 Pyongyang KCNA in English 0503 GMT 13 Aug 85

[Text] Pyongyang August 13 (KCNA) -- The delegation of the Maritime Territorial Committee of the Communist Party of the Soviet Union led by its First Secretary D.N. Gagarov and the delegation of the Khabarovsk Committee of the CPSU led by its First Secretary Vadim Bogdanov on a visit to Korea to attend celebrations of the 40th anniversary of the national liberation laid wreaths at the Liberation Obelisk and the cemetery of Soviet Army soldiers in Chongjin on August 12.

Attending the wreath-laying ceremony were Comrade Cho Se-ung, alternate member of the Political Bureau of the Central Committee of the Workers' Party of Korea and chief secretary of the North Hamgyong Provincial Party Committee; Choe Chin-song, chairman of the North Hamgyong Provincial Administrative and Economic Guidance Committee; Kim Chung-il, chief secretary of the Chongjin City Committee of the Workers' Party of Korea; and officials concerned and G. Tarasov, consul of the Soviet Consulate General in Chongjin.

Honor guardsmen of the Korean People's Army lined at the Liberation Obelisk and the cemetery of Soviet Army soldiers. After placing wreaths at the Liberation Obelisk and the cemetery, the attendants observed a moment's silence in memory of Soviet Army soldiers who fell in the battle for the liberation of Korea.

Meetings Held; Speeches Made

SK130524 Pyongyang KCNA in English 0508 GMT 13 Aug 85

[Text] Pyongyang August 13 (KCNA) -- Meetings celebrating the 40th anniversary of the national liberation were held on August 12 in South Pyongan and North Hamgyong Provinces with the attendance of tens of thousands of people and the Soviet delegations staying in these provinces.

In his report at the meeting held in Pyongyang, South Pyongan Province, Comrade Kye Ung-tae, alternate member of the Political Bureau of the Central Committee of the Workers' Party of Korea and chairman of the South Pyongan Provincial Administrative and Economic Guidance Committee, said that the August 15 liberation was the precious fruition of the protracted and bloody struggle of our people to take back the country lost to the Japanese imperialists and achieve the sovereignty of the nation.

The men of the Korean People's Revolutionary Army who had persistently waged an arduous and fierce anti-Japanese armed struggle joined the heroic Soviet Army in the last decisive battle against the Japanese imperialists in August 1945 and, carried out, at last, our people's historic cause of national liberation, he noted.

Our people who value friendship with the fraternal Soviet people will as ever make all efforts to further expand and develop the friendly and cooperative relations with the Soviet people, a close revolutionary comrade-in-arms and reliable ally.

Aleksandr Filatov, member of the Central Committee of the Communist Party of the Soviet Union and first secretary of the Novosibirsk Regional Party committee, in his speech said: We highly estimate the bravery of the anti-Japanese guerrillas of Korea who waged a protracted, devoted fight against the Japanese colonialists occupying their beloved motherland.

In his report at the meeting held in Chonjin, North Hamgyong Province, Comrade Cho Se-ung, alternate member of the Political Bureau of the Central Committee of the Workers' Party of Korea, chief secretary of the North Hamgyong Provincial Party Committee and chairman of the North Hamgyong Provincial People's Committee, said that the August 15 liberation was a historic event which opened the road of radical turn in the socio-political life of our people and the development of our revolution.

D.N. Gagarov, first secretary of the Maritime Territorial Committee of the CPSU, said:

The Soviet people always remember that the revolutionary Armed Forces of the Korean people, together with the officers and men of the Soviet Army, fought against the Japanese aggressors. In the course of this struggle, militant solidarity between the two peoples was achieved and a solid basis for friendship laid.

Veterans' Group Arrives

SK130542 Pyongyang KCNA in English 0526 GMT 13 Aug 85

[Text] Pyongyang Aug 13 (KCNA) -- A delegation of the Soviet Veterans' Committee headed by V. I. Rodionov, a retired lt. general of the Soviet Union, arrived in Pyongyang on August 12 by air to attend the celebrations of the 40th anniversary of the liberation of Korea.

It was met at the airport by Col. General of the Korean People's Army Chon Mun-uk and officials concerned and Ambassador Nikolay Shubnikov and Military Attaché Gennadiy Bulanov of the Soviet Embassy here.

Comrade Paek Hak-nim, member of the Political Bureau of the Central Committee of the Workers' Party of Korea and vice-minister of People's Armed Forces, met and had a friendly talk with the delegation of the Soviet Veterans' Committee on the same day it paid a courtesy call on him.

O CHIN-U ATTENDS JOINT FILM SHOW WITH USSR

SK130434 Pyongyang KCNA in English 0429 GMT 13 Aug 85

[Text] Pyongyang Aug 12 (KCNA) -- A show of the Korean-Soviet joint film "Unforgettable Comrade-in-Arms" (parts 1 and 2) released on the threshold of the 40th anniversary of the liberation of Korea was held at the People's Palace of Culture on August 11.

Seeing the film together with working people in the city were Comrade O Chin-u, member of the Presidium of the Political Bureau of the Central Committee of the Workers' Party of Korea and minister of People's Armed Forces; Comrade Kang Song-san, member of the Political Bureau of the WPK Central Committee and premier of the Administration Council; and other leading officials.

The story of the film co-produced by the Pochonbo production of the Korean film studio and the second production of the Mosfilms is based on the feats performed by Soviet citizen Ya. T. Novichenko, a symbol of the Korean-Soviet friendship and an international soldier, in checking the raid of reactionaries to destroy the Korean revolution shortly after the liberation. The film, a shining canvas of Korean-Soviet friendship completed on the threshold of the 40th anniversary of national liberation, deeply impressed the audience for its high ideological and artistic plane.

SYRIAN PEOPLE'S ARMY GROUP ARRIVES 9 AUGUST

SK091621 Pyongyang KCNA in English 1514 GMT 9 Aug 85

[Text] Pyongyang Aug 9 (KCNA) -- A delegation of the headquarters of the Syrian People's Army headed by Mohammed Ibrahim 'Ali, member of the Central Committee of the Syrian Arab Socialist Ba'th Party and commander of the Syrian People's Army, arrived here today by air.

It was met at the airport by General of Korean People's Army Kim Kwang-chin, member of the Central Committee of the Workers' Party of Korea; Yi Chae-kun, deputy director of a department of the WPK Central Committee; and Mohammad Ghazi Abdul-Salam, charge d'affaires interim of the Syrian Embassy in Pyongyang.

The Central Committee of the WPK hosted a reception in the evening in honor of the delegation.

WPK GREETS NICARAGUA'S DANIEL ORTEGA ON ELECTION

SK130540 Pyongyang KCNA in English 0455 GMT 13 Aug 85

[Text] Pyongyang August 13 (KCNA) -- The Central Committee of the Workers' Party of Korea on August 5 sent a message of greetings of Daniel Ortega upon his election as coordinator of the Executive Committee of the national leadership of the Sandinist National Liberation Front of Nicaragua at an extraordinary convention of the Sandinist general meeting of Nicaragua.

Noting that the election of Daniel Ortega as coordinator of the Executive Committee of the national leadership of the Sandinist National Liberation Front of Nicaragua is an expression of the deep respect and trust of the entire members of the Sandinist National Liberation Front and the Nicaraguan people for him, the message says:

Convinced that the revolutionary Nicaraguan people under the leadership of the Sandinist National Liberation Front with you as coordinator will achieve a brilliant victory in the struggle for decisively repulsing the aggressive and belligerent moves of the U.S. imperialists and their stooges and defending the country's sovereignty, peace and security, we express firm solidarity with them. We sincerely wish you great success in your responsible activity in further strengthening and developing the Sandinist National Liberation Front of Nicaragua and leading the struggle of the courageous Nicaraguan people to build a new society.

NODONG SINMUN ON IMPORTANCE OF SOCIALIST SYSTEM

SK100505 Pyongyang Domestic Service in Korean 2134 GMT 6 Aug 85

[NODONG SINMUN 7 August special article: "It Is Our People's Honorable Task To Resolutely Protect, Defend, and Glorify the Socialist System"]

[Text] As the 40th anniversary of the fatherland's liberation draws near, our people are filled with great pride and confidence as victors. The 40 years which our fatherland has covered with great progress and prosperity have been a proud course during which our people have established and glorified an invincible socialist system under the leadership of the party and the leader.

Our socialist system has now taken deep root in this soil, and its vitality and superiority are being increasingly displayed with each passing day. Our people's lives and destiny are inseparably linked with this system. It is our people's firm will to cherish our socialist system as we do our own lives, and firmly protect and defend it, and to carry on the revolution by depending on its vitality.

1. The socialist system of our country is a great gain which our people have achieved, protected, and developed through long and arduous struggle.

Comrade Kim Chong-il, member of the Political Bureau Presidium and secretary of the party Central Committee, has noted: In making the people deeply realize the incomparable superiority of the socialist system of our country, and how it has been established, we must ensure that they will defend our revolutionary gains at the expense of their lives and further glorify the chuche socialist system.

Defending and developing the socialist system is an important task of the working class and working people. The socialist system is a foundation for the consummation of the revolutionary cause and the prosperity of the nation. The communist society of the future will be established by developing and perfecting the present socialist system. The future of the socialist system is precisely the destiny of the revolution and the working people. Therefore, for the working people, defending, consolidating, and developing the socialist system is a life-and-death matter. Protecting, defending, and consolidating the socialist system is as important as establishing the socialist system. If the socialist system is not consolidated and developed after it is established, it cannot be defended. The work of consolidating the socialist system must be further intensified as socialist and communist construction advances. All people must deeply realize the preciousness and superiority of the socialist system and struggle with high consciousness and a sense of self-sacrifice. This is a way to firmly defend and glorify the socialist system, no matter how far the revolution may have advanced, and no matter how severe the storms may be.

Our socialist system is the most precious gain which cannot be exchanged for anything. The system is boundlessly precious because it has been established and defended through our people's bloody struggle against all kinds of class enemies.

Socialism is a product of the severe class struggle between the working class and working people and landlords, capitalists, and reactionaries. The socialist system came into being, and has developed, in this struggle. Imperialists and reactionaries are, in essence, the enemy of socialism. They are atrocious subverters and stranglers. They have atrociously schemed, and are scheming, against socialism. Hence, the working class and working people must wage the bloody struggle against these enemies. Otherwise, the way to socialism cannot be paved, and the socialist system cannot be established and glorified.

The struggle of the working class for the socialist system is not one which is waged only on one occasion or in one generation. It continues as long as the socialist system exists, not to speak of the period during which power is seized, and socialist reform is carried out. It is an undeniable revolutionary principle that the socialist system is established, defended, and consolidated in the severe and bloody struggle against the imperialists and reactionaries.

The course which our people have covered in establishing and consolidating the socialist system has been one in which unprecedentedly severe and bloody struggle has been waged. The Korean communists and people have struggled heroically and sacrificially in order to establish and glorify the socialist system.

Our socialist gains are soaked with the precious blood of the fallen revolutionary patriots. The two revolutionary wars against the most outrageous and bestial imperialist aggressors were bloody decisive battles which our people waged for national independence and freedom and for socialism. When the Korean communists and patriotic people were turning out on the road of the anti-Japanese revolutionary struggle under the leadership of the great leader Comrade Kim Il-song, the situation of the country was indescribably miserable. With unprecedented colonial fascist oppression, the Japanese imperialist aggressors submerged the country in a sea of blood.

Our enemies were formidable, armed even to their teeth, and were outrageous and cruel aggressors. They ran amok in scheming to eliminate the armed anti-Japanese ranks. They employed all means and methods to this end. Along with the bestial offenses of the enemies, cold and hunger also threatened the warriors. The anti-Japanese guerrillas sacrificed their lives to obtain guns, and traversed a bloody path in order to accomplish their given revolutionary mission.

Thus, numerous revolutionaries, and true sons, daughters, and people of Korea sacrificed their lives in the struggle for the liberation of the fatherland and the future of the socialist cause. The 20-year history of our people's anti-Japanese revolutionary struggle was embroidered with the heroic and epic struggle of those numerous fallen revolutionary patriots who waged decisive battles against the aggressors by sacrificing their lives in the forest of Mt Paektu and elsewhere in the country.

Following liberation, our people's class struggle for a new life and a new system was also very severe. This was because of the aftermath of the Japanese imperialists' atrocious colonial rule, and because the nation was divided in the wake of the U.S. imperialists' occupation of South Korea, as well as because of their aggressive and subversive maneuvers. Following liberation, through the decisive 3-year battle against the U.S. imperialists, and through the continuing severe class and political struggle against the enemies, our people defended the people's democratic system, and have established, consolidated, and developed the socialist system.

During the severe fatherland liberation war, during the difficult days following liberation, and before and after the war, as well as at every stage of revolutionary development, numerous heroic fighters and patriotic people sacrificed their precious youth and lives in the struggle against the maneuvers of the U.S. imperialists, their stooges, the exploiting class, and the reactionary elements.

The spirit of incomparable heroism and sacrifice which the warriors of our People's Army displayed in Seoul and Inchon, along the Nakdong River, and on Hill 1211, and the sacrificial struggle which the WPK members and the people waged to totally eliminate the obsolete social and economic systems and establish a new system, show how our socialist system has been established. This is precisely the reason why our people regard it as a duty and as an obligation to the fallen revolutionary patriots to defend our socialist system at the expense of their lives.

Another reason that our socialist system is incomparably precious is because our people have chosen it and established it through their own efforts. If people have love and affection for a social system, this is ascribable to the fact that their aspiration is fulfilled through the system. This is even more true in the socialist system, where the working people are the masters of the society.

Realizing the socialist ideal is a matter of implementation. It is a principled demand that establishing, strengthening, and developing the socialist system be carried out in accordance with the people's aspiration and the nation's concrete realities. The invincibility and driving force of the socialist system depend on how this demand is realized.

As is shown by the lessons of the revolutionary movement, there are no immutable measures or formulas in realizing the socialist ideal. If there were any formula, it would be the practice of thinking and handling everything on the basis of one's own judgment and in one's own way. This is a basic position consistently maintained by our party and people during the entire period of building a new socialist life, upholding the banner of chuché.

Our party and people advanced the socialist cause in a chuche fashion by tenaciously struggling from such a position and are consolidating the scientific socialist system, which totally conforms to the realities of our country and the desire and aspiration of the people.

Organizations, systems, and laws and regulation of the state were formed and enacted and have been implemented in accordance with our realities. Our economic management system has been consolidated and developed in our own way. Furthermore, socialist national culture conforming to our people's aspiration has blossomed fully, and a lifestyle is being established in accordance with the national characteristics and sentiment of our people.

Thus, the socialist system in our country is shining as a genuine socialist system which conforms to the common ideas of socialism and which correctly reflects the chuche nature and national characteristics. This system is supported absolutely by our people and is demonstrating great power and influence.

Our people will never concede to anyone the chuche-type socialist system which we chose by ourselves and which we established and developed by our own strength and through arduous struggle. We will safeguard and perfect this system forever.

2. The socialist system in our country is the most superior socialist system ensuring happiness today and a brighter future for all the people. Genuine strength and vitality will be demonstrated in a practical struggle to pioneer the people's destiny. Only a socialist system realized amid arduous trials, and one which practically unfolds happiness, freedom, and a bright future for the people, can be called a socialist system with genuine vitality and firmness.

Today our socialist system is demonstrating its original superiority in the political, economic, and cultural fields, as well as in the domain of the people's living. Thus, this system has become a foundation for genuine life and happiness of our people and an everlasting shelter to which we can trust our destiny to the end.

The superiority of the socialist system of our country lies in the fact that the state is leading the lives and destinies of all workers and all members of society by taking full responsibility for them.

The great leader Comrade Kim Il-song has taught: In exploiting society, the state serves as means for suppressing and exploiting the workers and peasants. But in socialist society, the state serves the people's interest and has a duty to ensure the material and cultural life of workers in a responsible manner.

Social systems and the people's destinies confronted each other in all societies before the socialist society was realized. The workers suffered social suppression and indifference, instead of receiving social benefits. This miserable condition embodied the very situation of the workers in the exploiting society.

However, under the socialist system, the state is implementing all policies by taking full responsibility for the workers' livelihood and destiny. Herein lies the basic superiority and popular nature of the socialist system.

Taking full responsibility for the livelihood of the working masses means practical ensurance of various conditions making it possible for the workers to enjoy happiness, without any concern and anxiety, in all domains of life -- political, economic and cultural.

Today there is no place in our country that is not benefitting from the state in all fields of social life, from the provision of food, clothing, and daily necessities to the workers to the domains of education and public health.

In particular, the funds are annually appropriated on a large scale in order to give additional benefits of various descriptions to the people at the expense of the state. This is eloquently evident through the measures of providing gratuitous supplies to all the children and students in the country three times during the past few years, and through the fact that a total of 2.94 billion won was spent in supplying the peasants and all the households in the country with various necessities in the years 1979 and 1982 alone, which means that every household received additional benefits of 800 won on the average.

That such bold popular measures have been taken even under the circumstances of a divided nation and a tense situation is proud testimony to the fact that this can only happen under the socialist system of our country which takes responsibility for and takes care of the people's lives to the end.

What is important in taking care of the fate and future of each individual member of the society is to respect their human rights and to see that they develop their own personalities. The most important part of the people's social life is the political life, and true political life is demonstrated well not only through exercising political rights and freedom, but also through doing well in ensuring human rights and developing individual personalities.

Under our socialist system today, the people's personalities are respected to the fullest extent, and the socialist system keeps a broad road open for the people on which their gifts and talents can blossom to their satisfaction. This is a principle consistently maintained by our party and the government of the republic in enforcing policies, in organizing the labor and culture-oriented lives of the working people, and in developing education and science.

Apart from such a policy, it is impossible to conceive of the fact that common workers and peasants of the past era have become well-known scientists, artists, athletes, and guiding functionaries, and children with extraordinary talents and gifts are growing up as wonderful, able workers making a contribution to the scientific development of the country through systematic education.

Although the imperialists and progovernment propaganda machines are engaged in slandering the socialist system while advocating so-called freedom of personality and defense of human rights, reality firmly proves that what they are proclaiming is a perfect lie and sophistry.

Through the existing reality, people have deeply realized which system -- the socialist or the capitalist -- truly ensures democracy for the people and respects their personalities and human rights.

The superiority of our country's socialist system also lies in the fact that the entire society is filled with a sound and revolutionary ideology, way of life, and moral traits. The characteristics of a society in question are to be demonstrated mainly in the ideological, spiritual, and moral traits of its members. A system can be said to be a truly superior system for the people only when it is not only affluent in material terms, but also when it is dominated by a sound ideology and moral traits. Essentially, true people love and pine for humane virtues and noble ethics. However, capitalist society is now dominated by immoralities and corrupt ways of life of all descriptions which are running counter to such aspirations and hopes.

In particular, South Korean society, in which the decadent Yankee culture and things Japanese prevail, has been turned into a land devoid of human spirit and is a breeding place of crimes where horse trade and corruption reign and where the rudimentary moral and ethic relations are trampled underfoot. This is the inevitable outcome that stems from the nature of this social system, which is based on individualism to the extreme and in which the law of the jungle prevails.

On the contrary, our socialist system is filled with traits in which everyone has a sound view of everything and in which everyone works in a revolutionary spirit which is worthy of a people living in a country engaged in the revolution.

Under the communist slogan "One for all, all for one," our party members and working people are now sincerely performing their work for the fatherland and people, for society and the group.

The reality in our country is that the communist good morals and manners that struck a chord in the hearts of the people of the world in the budding period of the socialist system have now become a universal phenomenon and traits prevailing in the whole of society that are commonly demonstrated in the routine life of the working people.

Now our party members and workers are working sincerely for the fatherland, people, society, and the group under the communist slogan "One for all and all for one."

The communist virtue which inspired the people at the time the socialist system was first established has now become a common phenomenon demonstrated in the daily life of workers, and the trait of the entire society. Today, because of the soundness of our society, which is free from all forms of social vice, that society is becoming one large, harmonious revolutionary family.

Our people, having high awareness and a noble view of social morals, say words in the same breath and walk and move consistently only for the interests of society and the group. It is far from accidental that everyone who witnesses the reality of our society admires the sound attitude in life and high organization and discipline of our people and finds the true features of socialism in that society.

The superiority of our socialist system also lies in its bright future. The socialist system is a system that solidifies and develops with the advance of history, and it is a system that will demonstrate its vitality in the struggle to build communism. Herein lies the historical position of this social system.

The future of the socialist system is found in the reality of today. The solidity of the political and economic base of today promises the bright future of the socialist system. Because it has a strong base, our socialist system continuously advances victoriously, opening a road to happiness and prosperity for generations to come. This base is continuously and firmly solidified today under the wise leadership of our party center.

The dear Comrade Kim Chong-il, gloriously inheriting the revolutionary cause of the great leader Comrade Kim il-song, is strengthening, developing, and completing our socialist system in an independent and revolutionary manner with his outstanding ideology, theory, and leadership.

In the course of modeling the entire society on the chuche idea under the leadership of the party, the political base of the regime of our republic is solidified at a new stage and the might of the self-reliant national economy is strengthened.

In particular, that the political and ideological unity and cohesion of the entire people provided by the leader, who pioneered the socialist cause, are inherited generation to generation and are developing to a new higher stage is the greatest asset promising the future of our socialist system.

Today, a heavy task is assigned to our revolution and construction, and the enemy's maneuvers are becoming more vicious with each passing day. No matter what cunning and vicious maneuvers the enemy may employ, and no matter what complicated situation may be created in the future, our socialist system cannot be shaken.

Because our people have the firm base of the socialist system which they have achieved through a long and arduous struggle, they are accelerating socialist construction with invariable optimism and firm faith in the future of their system. The socialist system of our country will continuously demonstrate great might and vitality in the future as well in the struggle to carry out the grand long-range goal of the economic construction of the 1980's and to achieve the complete victory of socialism.

The socialist system of our country is a truly superior social system in terms of its people-mindedness, soundness, and the solidity and powerfulness of its political and economic base. Through the real experience of the nearly 40 years during which they enjoyed a rewarding life under the socialist system, our people have cherished, deep in their hearts, the value of, the gratitude for, this system.

Our people have the unshakable faith that, apart from the socialist system, there cannot be true life, happiness, or prosperity for generations to come. No force can stand in the way of a people who believe in the true superiority of socialism and resolutely adhere to the socialist system.

3. Vigorously struggling to adhere to, solidify, and develop the socialist system is the sacred duty of all workers. The great leader Comrade Kim Il-song has taught: This year, when we are to greet the 40th anniversary of the liberation of the fatherland, we should further strengthen the might of the socialist system of our country, which we have constructed and developed through an arduous struggle, and highly demonstrate its superiority.

The road to be followed by our socialist system is still long and rough. On that road, we may be confronted with a stern challenge by the enemy and unexpected adversities and trials. Today, the struggle between socialism and capitalism is being waged violently, both within our own country and on the international level. Imperialism and the reactionaries of history are resorting to various maneuvers to slander and defame the socialist system, to destroy it and to cause its disintegration. Under such conditions, solidifying the socialist system and demonstrating its superiority is a matter of crucial importance. This is an important political task to demonstrate the dignity and honor of socialism before the world and to encourage and propel the advancing movement of the people toward socialism and communism.

The people's high class awareness is especially important in adhering to and developing the socialist system. All classes have a class position of their own. Hence, landlords and capitalists set up an exploiting system and make desperate efforts to maintain it, and the working class and the working popular masses struggle to establish a socialist system and to adhere to and develop this system.

The socialist system is an advanced and people-oriented system established in conformity with the interests of the working popular masses, a system that thoroughly realizes their aspirations and demands.

Our party members and workers should be deeply aware, before they think about gratitude for and the benefits of the socialist system, that apart from their class position and the system, no rewarding life and happiness can exist for them, and they should be determined to defend it at the cost of their lives.

Our party members and workers living in the 1980's should resolutely adhere to and develop the socialist system with a firm faith and will, as the fallen anti-Japanese revolutionary fighters and the heroes and fighters during the fatherland liberation war fought for the fatherland with enthusiastic patriotism at the cost of their youth and lives.

Today, in our country, the new generations born and raised under the socialist system have come to be the main driving force of the revolution. For these generations they have not directly participated in the bloody struggle for the socialist system, and that have not had the opportunity of experiencing the stern trials of revolution, it is very important not to forget how our socialist system came into being and when an arduous road it has had to follow, and to have a firm resolve to adhere to and develop it.

The true happiness of those who carry out revolution does not consist of enjoying the gains created by the fallen revolutionaries and the preceding generation but of the struggle to adhere to and glorify it. Each of us, regardless of whether he is a member of the older generation or the younger generation, should struggle with a firm position and a patriotic view to solidify our socialist system.

To safeguard, defend, and glorify the socialist system, we should vigorously push ahead with the work to strengthen its might through practical struggle. The three revolutions -- ideological, technological, and cultural -- are the basic strategic line that we should firmly and consistently grasp and adhere to in order to strengthen the might of the socialist system. Only when we achieve the revolutionization, working classification, and intellectualization of the society and make the national economy chuche-oriented, modernized, and scientific by vigorously waging the three revolutions can we firmly deepen and consolidate the socialist system politically and economically and glorify its might.

The basic factor in the invincibility and might of the socialist system is political and ideological solidarity. The decisive superiority of the socialist system of our country lies precisely in the fact that our country enjoys political stability and the whole society is firmly united as one.

By further developing the political and ideological unity and cohesion of the entire people on the basis of the worker-peasant alliance and the relations of comradely co-operation among the working people we should demonstrate the united might of our society, which is moving with one goal and one aspiration.

Economic power is the material guarantee of the might of the socialist system. Today, our party has unfolded the brilliant blueprint to accelerate socialist economic construction and is now leading the struggle to realize this blueprint.

All functionaries and working people should vigorously struggle to fulfill the grand 10 major prospective targets and to epochally improve the people's standard of living with lofty self-awareness and a sense of responsibility, thus achieving the grandeur and prosperity of the country.

The work to defend the socialist system and to enhance its superiority cannot be thought of without the struggle against the imperialists and their stooges.

The true nature of imperialism, which regards socialism with hostility and opposes it, can by no means be changed. The imperialists' maneuvers to destroy the socialist system have become very vicious and tenacious. For our people who have experienced the reactionary and cunning nature of imperialism, illusions of imperialism or compromises with it without principle must not be permitted. Everyone should have infinite hatred for imperialism, and class enemies with a lofty class awareness and a resolute, anti-imperialist spirit of struggle should deal with the imperialists' double-dealing tactics with revolutionary principles. Herein lies precisely the important key to firmly defending our socialist system from the imperialists' aggression and glorifying the honor and dignity of socialism.

The capitalist society is corrupt and diseased. The people carrying out the revolution should look straight at the reactionary and corrupt nature of the capitalist system and should not have any illusions about its superficially splendid appearance. At the same time, they should judge and deal with all problems on the basis of the interests of the working class and socialism. The decisive guarantee for firmly deepening and consolidating the socialist system and for demonstrating its superiority is for all people to uphold and follow the leadership of the party and the leader. The socialist society is a developed society. The scientific and tested leadership of the party and the leader is the decisive factor inspiring the consolidation and development of the socialist system.

How we can consolidate and develop the socialist system and strengthen its might entirely depends on how we can embody the leadership of the party and the leader. As the socialist system is developed, the leadership of the party and the leader plays a greater role. This is a truth that has been proven theoretically and practically.

Our country's socialist system built and led by the great leader Comrade Kim Il-song has been consolidated as firm as a rock under the leadership of our party today. Its superiority is being demonstrated to the world today. Our party's leadership in strengthening the might of the socialist system and in demonstrating its honor and dignity is characterized by its scientific and extensive nature. We should always cherish deep in our hearts the revolutionary honor and pride of deepening the socialist system under the leadership of the great leader and should more thoroughly embody the leadership of the party and the leader in all fields of our social life.

In particular, we should continuously and firmly deepen and consolidate the unity and cohesion of our party and people rallied around the party Central Committee headed by the respected and beloved leader Comrade Kim Il-song. The destiny and future of the socialist system depend upon the greatness and wisdom of the leader [yongdoja]. This is faith that the people who are consolidating and developing the socialist system should keep in their minds forever. Cherishing this faith, our people will entrust their destinies to our party center and defend and complete the socialist system of chuche to the end under the leadership of the party and the leader.

PAPER MARKS CLOSE OF ANTI-U.S. STRUGGLE MONTH

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[NODONG SINMUN 8 August editorial: "Voices of Solidarity"]

[Text] The anti-U.S. joint struggle month, from 25 June to 27 July, has closed successfully.

The month-long period this year was observed at a time when the danger of a nuclear war has drastically increased on the Korean peninsula, more than ever before, because of the war schemes by the U.S. imperialists and the South Korean puppets, schemes which are being further intensified with each passing day despite our sincere efforts for the country's peace and peaceful reunification.

Thus, the world's progressive countries, including the socialist countries, nonaligned nations, and the Third World countries, and the peoples of broad strata who value justice and peace, have strongly demanded that the U.S. imperialists and the South Korean puppets immediately stop the war scheme of a northward invasion and the scheme of the two-Koreas plot, while unanimously wishing to see tension reduced on the Korean peninsula at an early date, the danger of a nuclear war removed, and peace and security achieved.

At the same time, they have extended ungrudging encouragement to our people's struggle to maintain the country's peace and achieve the fatherland's reunification, while warmly supporting our party's policy for independent and peaceful reunification and its new proposals embodying such a policy.

Such a solidarity with us has been forcefully expressed in the numerous messages and letters sent to our country and through the holding of various functions, such as meetings, seminars, photo exhibitions, and film shows.

In addition to this, many newspapers, new agencies and radio and television stations have carried relevant articles and broadcast relevant news reports. In particular, during this month-long period, messages and letters of solidarity have been sent to the great leader Comrade Kim Il-song from heads of state, party leaders, political and social activists, and renowned personages in various countries in the world; various international organizations; democratic organizations; revolutionary organizations; struggle organizations; organizations of solidarity and societies of friendship with our country; and chuche idea study organizations, as well as their responsible functionaries.

The voices of justice highly reverberated throughout the world during the month-long period, forcefully resounding everywhere on earth, across oceans and continents: The U.S. imperialists' occupation of South Korea and policy of aggression are the basic obstacle to the Korea's peace and peaceful reunification; the U.S. imperialist aggressors should immediately withdraw from South Korea; we actively support the DPRK's independent and peaceful reunification proposal; and the Armistice Agreement should be replaced by a peace agreement. In particular, the world's peoples unanimously emphasized that our republic's reunification proposals are the most aboveboard proposals which conform to the reality of Korea, and are acceptable to everyone.

Such voices of solidarity were a powerful demonstration of the justness of our cause for the removal of the tension and danger of war prevailing on the Korean peninsula, the maintenance of peace and security, and the achievement of the fatherland's independent and peaceful reunification. Such voices eloquently corroborated once again that our republic's international status is being further consolidated with each passing day, and the ranks of those who support and sympathize with our revolution are continuously increasing.

Such voices of solidarity which forcefully resounded on all continents and in all regions of the world, including Asia, Africa, Europe, and Latin America, have served as a powerful encouragement for our people, who are devoting themselves to making strenuous efforts for the country's peace and peaceful reunification from the standpoint of genuinely loving the country and the people.

At the same time, such voices have served as a severe blow to the U.S. imperialist aggressors and the South Korean puppet clique, who are running wild, with heinous aggressive ambitions, in the criminal scheme for the two-Koreas plot and the scheme of a war of northward invasion.

Truly, the month-long period this year clearly showed once again that the support for our people's just cause is becoming the trend of our times, which cannot be blocked.

We extend our deep gratitude to our foreign friends who extended their active support and encouragement, in various styles and manners, to our people's cause for peace and peaceful reunification during the last anti-U.S. joint struggle month.

As was strongly expressed during the last month-long period, the Korean question is becoming a focus of world politics, and the resolution of the Korean question is arising as an urgent demand of the times which cannot be delayed even for a moment.

The Korean people, who have been suffering from the pain of national division for as long as 40 years, since the liberation, unanimously desire reunification. To connect the severed national arteries and to reunify the divided national territory is becoming the bigger national duty for all Korean people, whether they are in the North, the South or abroad.

The following is our party's will and conviction: Let us, the entire nation, use concerted strength and reunify the fatherland; and let us pass on the reunified fatherland to subsequent generations by reunifying the country during our generation!

Proceeding from this, our party has, just recently along, taken a series of successive active measures with a view to providing a favorable aspect for peace and peaceful reunification in conformity with the new situation prevailing in the country. It is leading the people to the struggle for their realization. This is clearly shown by the proposal for tripartite talks, the proposal for North-South economic talks and Red Cross talks.

At the moment, the compatriots at home and abroad and the world's public circles are warmly supporting and welcoming our active proposals and measures for the country's peace and peaceful reunification and our patient efforts for their realization.

But, though the U.S. imperialists and the South Korean puppets are clamoring, outwardly, about the reduction of tension, peace, and peaceful reunification, they are accelerating preparations for a war of northward invasion, boisterously trumpeting anticommunist slogans behind the scenes of contacts and dialogue, while, in actuality, pursuing the country's perpetual division and realization of reunification by prevailing over communism.

The great leader Comrade Kim Il-song has taught: Today, the place where the danger of a nuclear war is greatest is the Northeast Asian region, including the Korean peninsula. The U.S. imperialists have turned South Korea into a military base for a war of northward invasion, declaring it as the area for their frontline defense. They are augmenting the armed forces on a large scale.

In South Korea at present, the U.S. forces, numbering some 40,000, equipped with modern weapons of mass destruction, and puppet army soldiers numbering nearly 1 million have been placed in a constant posture of mobilization.

The U.S. imperialists have already deployed some 1,000 nuclear weapons of various kinds in South Korea. Not satisfied with this, they are pulling in various means for delivering nuclear weapons, having recently deployed neutron bombs -- which have been rejected in other parts of the world -- and nuclear backpacks -- one of the tactical nuclear backpacks -- one of the tactical nuclear weapons.

In conjunction with such a reinforcement of nuclear arms, the U.S. imperialists are continually staging such nuclear test wars as the "Team Spirit" joint military exercises in South Korea and its environs.

The U.S. imperialists are trying to introduce the armed Japanese Self-Defense Forces into the Korean frontline in an emergency, while accelerating the scheme of fabricating a triangular military alliance among the United States, Japan, and South Korea.

Because of such schemes by the U.S. imperialists, a very dangerous situation, in which a new war of northward invasion might break out at any time, is being created on the Korean peninsula. Under the condition in which vast armed forces of North and South Korea are confronting each other directly, and in which nuclear weapons are also deployed around the Korean peninsula, if the U.S. imperialists should trigger a war of northward invasion again, it would soon become a nuclear war, and its flames would easily spread to other regions.

In that case, the peace and security of Asia -- including Northeast Asia -- and the world, as well as that of Korea, would be destroyed. This shows that the prevention of the danger of a new war and the maintenance of peace in Korea serve not only as a prerequisite to Korea's peaceful reunification, but also as a key factor to guarantee peace in Asia and the world.

Thus, today, the world's progressive peoples are saying that a durable peace should be guaranteed on the Korean peninsula for the peaceful reunification of Korea and for peace in Asia and the world. They are strongly demanding that the U.S. imperialists withdraw from South Korea without delay, taking along their aggression forces and all lethal weapons, including nuclear weapons, while harshly condemning and denouncing the reckless scheme for a war of northward invasion by the U.S. imperialists and the South Korean puppets.

In order to remove the danger of war from Korea and achieve peaceful reunification, it is necessary to remove misunderstanding and mistrust between the North and the South, promote reconciliation and trust, and achieve national unity.

In this connection, we are not only showing an active attitude toward the on-going North-South contacts and dialogue, but are also making efforts to create a favorable environment for the contacts and dialogue.

However, the South Korean puppets, at the instigating of the U.S. imperialists, are clamoring, outwardly, about dialogue and the like. Behind the scenes, however, they are inciting North-South confrontation, while kicking up anticommunist and antirepublic commotions more viciously than ever before.

The position assumed by and the acts of the South Korean puppets, at the dialogue and behind the scenes, show that they are not at all interested in the country's peace and peaceful reunification, but are only pursuing fascism, war, and perpetual division.

It was natural for conscientious personages and the peoples of broad strata in the world, during the last anti-U.S. joint struggle month, to strongly denounce the South Korean puppet's anticommunist rackets of confrontation and their fascist scheme of suppression and to unanimously demand that the rackets and the scheme be stopped immediately.

Today, the Korean people unanimously oppose division and want reunification. To reunify Korea is the noblest national duty of all Korean people and the common wish of the world's progressive peoples. Our people's cause for the reunification of the fatherland is just. The world's conscience is on the side of our people struggling for the country's peace and peaceful reunification.

We firmly believe that the world's progressive peoples will continue to raise their voices of solidarity in the future, too. Our people will maintain peace in the country and surely achieve the historic cause of the fatherland's reunification under the active support and encouragement of the world's progressive peoples, firmly rallying around the party.

KIM IL-SONG, OTHERS ATTEND HOTEL OPENING CEREMONY

SK100431 Pyongyang KCNA in English 0417 GMT 10 Aug 85

[Text] Pyongyang August 10 (KCNA) -- The ceremony for the completion of the Pyongyang Koryo Hotel took place Friday on the spot in the presence of President Kim Il-song, the great leader of our party and our people.

The 45-storeyed hotel has made its appearance in the second-stage Changgwang street completed on the threshold of the 40th anniversary of national liberation. It is one more proud edifice of the Workers' Party age which has been built with our designing and our technique through the successful application of our party's idea of architectural aesthetics. The hotel is a modern service centre for foreigners with hundreds of rooms of different sizes, dining halls, banquet halls, conference rooms, a cinema hall, amusement rooms, stores and other service facilities on the highest level.

The builders were overflowing with deepest emotion and joy upon making a proud report to President Kim Il-song on the building of the modern hotel, grand and beautiful, with a total floor space of more than 84,000 square metres in a brief time through a vigorous speed campaign with boundless loyalty to the party and the leader.

At 9:30 a.m. President Kim Il-song arrived at the Pyongyang Koryo Hotel. That moment, the cheers of "Long live the great leader Comrade Kim Il-song" burst forth. President Kim Il-song was presented with bouquets of flowers carrying the boundless reverence of the entire builder.

Attending the ceremony were Comrade Kim Chong-il, member of the Presidium of the Political Bureau, and secretary, of the Central Committee of the Workers' Party of Korea; Comrade O Chin-u, member of the Presidium of the Political Bureau of the WPK Central Committee and minister of People's Armed Forces; Comrade Kang Song-san, member of the Political Bureau of the WPK Central Committee and premier of the Administration Council; members and alternate members of the Political Bureau of the WPK Central Committee; secretaries of the WPK Central Committee; a vice-premier of the Administration Council; department directors of the WPK Central Committee and officials concerned. [Pyongyang Domestic Service in Korean at 1200 GMT on 9 August carries a 4-minute report on the Pyongyang Koryo Hotel opening ceremony attended by Kim Il-song which adds the following names of Political Bureau members and alternate members and Central Committee secretaries: Comrades Pak Song-chol, So Chol, Kim Yong-nam, Yon Hyong-muk, O Kuk-yol, Chon Mun-sop, and Paek Hak-nim, members of the Political Bureau of the WPK Central Committee; Comrades An Sung-hak, Chon Pyong-ho, Kim Chung-nin, Chong Chun-ki, Hong Song-yong, Kim Pok-sin, Hyon Mu-kwang, Kang Hui-won, Kim Tu-nam, Chong Kyong-yui, Choe Kwang, and Kim Kwang-hwan, alternate members of the Political Bureau; Comrades Hwang Chang-yop, Ho Chong-suk, So Kwan-hui, Chae Hui-chong, and Pak Nam-ki, secretaries of the party Central Committee]

President Kim Il-song waved to the cheering crowds and cut the red tape hanging across the entrance of the hotel to declare its completion. He went round rooms, dining halls, banquet halls, stores and a revolving roof-top restaurant of the hotel, accompanied by the party and state leading cadres. He expressed deep satisfaction over the successful construction of the top-class hotel in a brief time by the builders in hearty response to the call of the party and highly estimated their success. He gave programmatic teachings which would serve as a guideline in the management of the hotel.

He posed for a photograph with the builders who had performed feats in the construction of Pyongyang Koryo Hotel and the second-stage project of the Changgwang Street. Then President Kim Il-song went round service establishments of different styles built in the second-stage Changgwang Street. Inspecting restaurants, he expressed deep satisfaction with their splendid building and indicated detailed tasks for their management.

MEETING MARKS FOUNDING OF INDIAN CONGRESS

SK131054 Pyongyang KCNA in English 1017 GMT 13 Aug 85

[Text] Pyongyang August 13 (KCNA) -- The International Affairs Department of the Central Committee of the Workers' Party of Korea and the Korea-India Friendship Association arranged a friendship meeting on the centenary of the founding of the Indian National Congress of Indira Gandhi.

Invited to the meeting were Indian Ambassador K.C. Lalvunga and his embassy officials in Pyongyang and a member of the delegation of the Indian National Congress of Indira Gandhi and the All India Indo-Korean Friendship Association. Present there were Kil Chae-kyong, vice-director of a department of the Central Committee of the Workers' Party of Korea, O Mun-han, vice-chairman of the Committee for Cultural Relations With Foreign Countries and vice-chairman of the Korea-India Friendship Association, and officials concerned.

The attendants appreciated a Korean feature film. Then followed a reception at which speeches were made.

CORRECTION TO NATIONAL DEMOCRATIC FRONT DECLARATION

The following correction pertains to the item headlined "National Democratic Front Announces Declaration" published in the 9 August Asia & Pacific DAILY REPORT, pages D 1-8:

Page D 2, paragraph 7 line 2 reads:... The pro-U.S. flunkeyist, anti-communist ideas to treacherous to the country, and occidental and Japanese ways, are prevailing in South Korea by system and by law. In such a vicious... (rewording)

Page D 7, first paragraph, penultimate line reads: ...the antiwar and antinuclear movement against aggression directed at another country shall be actively developed... (substituting "directed at" for "by")

GOVERNMENT DECLARES PRISONER AMNESTY ON ANNIVERSARY

SK131217 Seoul YONHAP in English 1148 GMT 13 Aug 85

[Text] Seoul, Aug 13 (YONHAP) -- The South Korean Government will release 697 exemplary prisoners and 35 juvenile delinquents Wednesday morning in clemency marking the 40th anniversary of Korea's liberation from Japan's colonial rule.

A Justice Ministry official said that the prisoners and juveniles to be set free have shown sincere repentance and they are not feared to commit crimes again. The number include 22 prisoners who have served longer than 10 years. Among the rest are 68 inmates who succeeded in obtaining various engineer's licenses while in prison, the Justice Ministry said. No security-related prisoners, including students charged with anti-government activities, are included in the list, according to the ministry.

Besides the parole, the government granted commutation for four prisoners, curtailing two-thirds of the remaining terms.

MINISTER EXPLAINS CONSTITUTIONALITY OF CAMPUS LAW

SK130143 Seoul THE KOREA TIMES in English 13 Aug 85 p 8

[Text] Students can appeal against the "rehabilitation education" if they are ordered to undergo it under the proposed law bill aimed at the stabilization of campus, according to the Justice Ministry.

Since the order is a sort of administrative measure without judiciary decision, the concerned students can have the decision by a special quasi-judiciary committee reviewed at the appellate court. The proposed law bill aimed at campus stabilization does not have any provision regarding the procedures on challenging the decision of the special committee, however.

In an explanation about the law, the ministry said the law will not be put into force retroactively if enacted. In other words, the students now on trial or in detention for violent activism on and off campus are not subject to the new law, according to the ministry. The ministry's official interpretation of the projected law bill was made by Kim Yu-hu, chief of the legal affairs bureau of the ministry.

The ministry official also said that even though the prospective law does not provide for specific procedures, all kinds of advocation for students are possible. "Those related with students, including parents, defense lawyers and heads of universities, are allowed to submit petitions, materials or letters of advocation in their favor to the screening committee," he explained.

Disputing the allegation of critics that the proposed law contravenes the Constitution, he said that the "rehabilitation education" is a kind of "provisionary supervision" provided by the Constitution." Opponents have argued that the law is in violation of the Constitution in that the decision on "provisionary supervision" is made not by the court but by the committee, a quasi-judiciary organ. "The rehabilitation education is not a criminal punishment but a measure designed to protect and guide problematic students more efficiently. "Provisionary supervision can be decided on by administrative institutions based on law as illustrated in other laws including the Social Defense Law," he said.

Article 11, Paragraph 1, of the Constitution stipulates that "no person shall be arrested, detained, searched, seized, interrogated, punished or placed under provisional supervision except as provided by law, or be subject to involuntary labor except by a criminal sentence.

His explanation also refuted the criticism that the law infringes the freedom of association guaranteed in the Constitution because the education minister or university presidents have the power to disband bodies of student activists. "Those student organizations established to organize or abet demonstrations undermine the stability of society and conflict with the basic purpose of the existence of universities," he said. Other laws, including the Civil Code, also carry provisions to order the breakup of organizations doing harm to public interests, he said.

Physical Force 'Unthinkable'

SK130122 Seoul THE KOREA HERALD in English 13 Aug 85 p 1

[Text] Minister of Education Son Chae-sok said yesterday that it is "unthinkable" to apply physical force to those under reorientation programs. Son said that reorientation programs are intended purely to change the ideology orientation of "problem students."

The minister was replying to lawmakers' queries in a joint session of the Democratic Justice Party's Education-Information and Campus Affairs Committees. He said that the programs will include physical training sessions. "Detailed reorientation programs are now being formulated by specialists. The main thrusts of the programs are ideology education, physical training and on-the-sport education," he said.

The minister said, "The bill has taken on a bad image on account of initial inaccurate news reports," he said. The main purpose of the legislation, he said, is to save students who have committed mistakes on the spur of the moment. "In a sense, the legislation will grant students a privilege, because it dispenses with application of the Criminal Law," he said. "As a result of the initial misguided preoccupation, there still is improper argumentation against the bill. Considering this, the government will launch nationwide publicity on it," he said.

In the joint session, the government and the ruling DJP adopted the bill as drafted by the Ministry of Education. It was the first time for the Ministry of Education to release the contents of the bill officially.

Meanwhile, Minister of Justice Kim Song-ki said, "It is out of the question for some people to assert the bill disregards judicial process stipulated by the Constitution."

NKDP DECLARES 'ALL-OUT WAR' AGAINST CAMPUS LAW

SK130133 Seoul THE KOREA TIMES in English 13 Aug 85 p 1

[Text] The main opposition New Korea Democratic Party (NDP) [NKDP] yesterday declared an all-out war against the government and its party in blocking the enactment of the proposed "student stabilization law" by resolving to fully utilize the party's entire organizations for struggle against the legislature.

The NDP urgently formed a "struggle committee" to prevent the ruling camp from legislating the law, converting the party's all central and local organizations into the panel.

Party-level panel is headed by NDP president Yi Min-u and all 92 local chapters nationwide were converted into the branches of the struggle committee as soon as the highest decision-making Executive Council made the decision to form the panel in a special meeting.

In the council meeting, party president Yi declared, "There is nothing that I will be unable to do in order to deter the law's legislation."

The council also decided to issue more than one million copies of the party's organ "New Democratic Front" in special editions, which will argue the "unconstitutionality" of the proposed law. The copies will be distributed to the citizens through the local chapters of the party nationwide, party spokesman Hong Sa-duk said after the council meeting. The central party and local chapters will hold separate ceremonies to hang a signboard reading the "Struggle Committee to Deter the Legislation of the Campus Stabilization Law" at 3 a.m. today, the spokesman said.

In yesterday's council meeting, party leaders instructed floor leader Kim Tong-yong not to comply with the request made by the ruling Democratic Justice Party for the joint convocation of an extra house session this month to act on the law. The Executive Council also decided to hold special meetings of party president and vice party presidents, floor strategists and a caucus of lawmakers in a row today at the building of the National Assembly.

The main opposition NDP, which holds 102 seats in the 276-member Assembly, will urgently convoke on Friday or Saturday a meeting of the 326-member Central Standing Committee, which usually acts as the national convention, spokesman Hong disclosed.

Following the council meeting, NDP head Yi sent a formal letter to President Chon Tu-hwan asking for his exclusive meeting with the President. The letter was conveyed by party spokesman Hong to presidential spokesman Hwang Son-pil yesterday afternoon. Spokesman Hwang revealed that President Chon's reply to Yi's letter would be conveyed through Democratic Justice Party Chairman No Tae-u.

FIVE 'MINJUNG' TEACHERS SENTENCED TO DETENTION

SK130147 Seoul THE KOREA HERALD in English 13 Aug 85 p 8

[Text] Five out of the 20 schoolteachers who contributed articles to the coterie magazine MINJUNG KYOYUK (Education for the Masses) were sentenced to three to 15 days in detention by a summary court yesterday on charges of spreading false rumors. They include Yi Chol-kuk of Yido High School and Sim Song-po of Posong High School.

Police released with admonitions eight teachers whose acts did not constitute any criminal offenses. The other remaining seven were either under investigation or sought by police.

KOREA TIMES EXPOSES NORTH PROPAGANDA VIA RPR PARTY

SK130139 Seoul THE KOREA TIMES in English 13 Aug 85 p 4

[Editorial: "Covert Propaganda Mill"]

[Text] People in the streets in South Korea, not to mention any sensible citizens here, may hardly be fooled regarding the nature of the so-called "Unification Revolutionary Party," which North Korea claims to be in clandestine operation in the South.

The same is true with the "Voice of the Unification Revolutionary Party," transmitted by a broadcasting station in the North Korean coastal city of Haeju, making all kinds of covert propaganda against the people and government in the South.

The disguised broadcasting media from North has by now been in fictitious operation for nearly two decades. Thus Pyongyang should have realized that it has been fully exposed to the South Korean people by this time as a falsified setup actually managed by the hands of the Communists in the North.

Besides, the North Koreans may have reached the conclusion that the present political and social situation in the South provides a "decisive chance" for them to enter a new phase of strengthened propaganda maneuverings against South Korea.

It is probably against this background that Pyongayng has reportedly changed the name of the fake organization to the "Korean National Democratic Front," with its broadcasting media renamed the "Voice of National Salvation."

Amid the current South-North confrontation, it goes without saying that we in the South should keenly be concerned with any such abrupt change in North Korean tactics as an ominous example of the Communists' provocations against the South. At the same time, it is quite certain that ordinary citizens in an open society like those in the South can hardly be so ignorant as to be misled by any fabrications or disinformation by Pyongyang through its broadcasting mills, no matter how it may be sophisticated, as in the latest anti-Seoul propaganda scheme.

We are once again reminded the Pyongyang may lose more than it gains with its dishonest and absurd plot in this regard, by acting counter to the interests of all peace-seeking people in and outside of Korea.

MEETING HELD ON STATUS OF KOREANS IN JAPAN

SK130730 Seoul YONHAP in English 0721 GMT 13 Aug 85

[Text] Seoul, Aug. 13 (YONHAP) -- South Korea and Japan Tuesday held the fourth meeting of their working-level government officials to discuss the legal status of Koreans residing in Japan.

During the one-day meeting, Kim Chae-chun, director general of the Asian Affairs Bureau at the Korean Foreign Ministry and leader of the Korean delegation, urged his Japanese counterpart Toshio Goto to make continuing efforts to abolish Japan's controversial system of fingerprinting foreign residents. Goto is the director general of the Asian Affairs Bureau at the Japanese Foreign Ministry. Kim stressed that Japan's recent partial improvement in operating the fingerprinting system cannot be a fundamental settlement of the controversy.

In reply, Goto said that it is difficult for Japan to repeal the system as far as Japan's Alien Registration Law exists for the maintenance of the public order. He said, however, that the Japanese Government will continuously try to improve the legal status of Korean residents in Japan.

Under Japan's Alien Registration Law, foreigners living in Japan for more than one year must have their fingerprints stamped on alien registration cards, which they are required to carry with them at all times. Approximately 670,000 Korean residents now living in Japan represent about 83 percent of Japan's total alien population.

The agenda for Tuesday's meeting also included the wider opening of employment opportunities for Korean residents, the repatriation of Koreans on the Soviet-occupied Sakhalin Island of northern Japan and other welfare issues for Koreans in Japan.

COMMENTATOR TERMS U.S. 'SHAMELESS MILITARIST'

OW090011 Ulaanbaatar MONTSAME in English 1654 GMT 8 Aug 85

[Text] Ulaanbaatar, Aug 8 (MONTSAME) -- A MONTSAME commentator writes: As is followed to expect, U.S. President Reagan has refused to accept the Soviet proposal on the moratorium on any nuclear tests. Thus, the U.S. Administration has once again demonstrated to the whole world its firm intention to continue the nuclear armaments race, their modernization, which are fraught with real danger of nuclear holocaust on earth.

The "arguments" of the White House as to explain its refusal are absolutely unfounded, even it can be said, ridiculous now it turns out as though the United States is "lagging" behind the Soviet Union in producing mass annihilation monstrous weapons. As a matter of fact, such paradoxical reasons can be adduced only by a person who is far from politics, and who is anything but a person to be entrusted to head such a state as the United States of America.

By its statement refusing from the new Soviet proposal, Washington exposes more vividly itself in the face of the world public as a shameless militarist, who is achieving military superiority over socialism in an attempt to impose its cruel order on other peoples. This step by President Reagan evokes legitimate indignation and concern of the Mongolian public.

PRC ACTION AIMED AT 'DISCREDITING' USSR POLICY

OW120252 Ulaanbaatar MONTSAME in Russian 1405 GMT 8 Aug 85

[Text] Ulaanbaatar, 8 Aug (MONTSAME) -- A MONTSAME observer writes: On 6 August, the entire world marked the 40th anniversary of the American bombing of the Japanese city of Hiroshima. "The tragedy of Hiroshima and Nagasaki must not be repeated." Under such slogans demonstrations and meetings, whose participants have demanded restraint in the nuclear catastrophe, have recently been held throughout the world. The Soviet Union's new peace initiative, unilaterally ceasing all nuclear tests on 6 August, has received resolute approval and widespread support from world public opinion.

However, on the same day -- 6 August -- U.S. President Reagan announced his refusal to join the moratorium on nuclear explosions introduced by the Soviet Union, asserting that a bilateral moratorium would supposedly only favor the Soviet Union. Concerning China, one of the five nuclear powers, an official reaction to the USSR's major step in nuclear arms limitation has not yet come from that country. The Chinese leadership, which has up to now refused to join the existing treaty prohibiting nuclear tests in the atmosphere, in outer space, and underwater, continues to adhere to the false concept of a certain "equal responsibility of the United States and the USSR for the arms race, primarily the nuclear one, and for attempts to transfer it to outer space."

Chinese representatives have recently stepped up activities aimed at discrediting the policy of the Soviet Union in the eyes of fighters for peace in various countries, primarily in Japan, which has known the horrors of American atomic bombs. Thus for instance, Zhao Ziyang, premier of the PRC State Council, asserted in his reply to an appeal by the Japanese Committee of Organizations of Atomic Bomb Victims that "the danger of nuclear war" comes from two nuclear powers (the United States and the USSR). In his words: "Two nuclear powers are creating obstacles in the path to nuclear disarmament."

The Soviet Union's new peace initiative, announcing a unilateral moratorium on all nuclear explosions, and the U.S. refusal to join it have once again shown the complete fallacy of such assertions. Beijing does not want to directly say who actually desires nuclear disarmament and who rejects it, and wants to divert discussion of the question of a total and universal ban on nuclear tests. This position cannot serve the cause of curbing the arms race and establishing lasting peace on earth.

MYRL PRESS CONFERENCE ON MOSCOW YOUTH FESTIVAL

OW120345 Ulaanbaatar MONTSAME in Russian 1413 GMT 8 Aug 85

[Text] Ulaanbaatar, 8 Aug (MONTSAME) -- A press conference devoted to the MPR delegation's participation in the Moscow Youth and Students Festival was held today in the MYRL Central Committee. It was announced that Mongolian youth representatives took part in 250 activities held at 15 forum centers.

Addressing the journalists, D. Dashjamts, secretary of the MYRL Central Committee and responsible secretary of the National Preparatory Committee, stressed that the festival in the Soviet capital, which had an unprecedented number of delegates and various activities, demonstrated the indomitable striving of the world's youth to conduct, through a united front, a resolute struggle for peace and against imperialism and the threat of nuclear war, regardless of differences in political, philosophic, and religious views.

It is also certain that the world's progressive youth found mutual understanding on the most important contemporary issues at the festival, he said.

CEMA ASSISTS IN GEOLOGICAL SURVEY, EXPLORATION

OW130034 Ulaanbaatar MONTSAME in English 1703 GMT 12 Aug 85

[Text] Ulaanbaatar, August 12 (MONTSAME) -- The expansion of the country's mineral and raw materials resources is of primary importance for the Mongolian People's Republic. The M.P.R.'s joining of the Council for Mutual Economic Assistance (C.E.M.A.) in 1962 has opened up new possibilities for strengthening the economy and especially for ensuring a rapid development of geological explorations and the research of mineral and raw material resources, G. Sanduijab, adviser of the Geology Department of the CEMA Secretariat, MPR state prize winner, said to a MONTSAME correspondent.

An agreement on setting up an International Geological Expedition (IGE) in the MPR has signed in 1975. It is financed by Bulgaria, Hungary, the GDR, Poland, the Soviet Union, Czechoslovakia, and Mongolia. Initially its main task was to carry out geological survey and estimation of deposits of all types of natural resources, G. Sanduijab noted. In order to fulfil this task the IGE each year organized 4-6 various expedition parties. As a result of the work carried out, geological and geophysical data on south-Gobi region were generalized, metallogenic forecasting maps of copper and molybdenum, the geological map and the map of natural resources were compiled. Three deposits and over 50 ore-developments of tungsten, molybdenum, fluorite, polymetals, silver and gold have been discovered and estimated. The molybdenum and tungsten deposit found by the IGE in Ondor Tsagaan is estimated by experts as a major deposit with considerable reserves of complex ores. The expedition steadily increases the volume of geological survey. The production and practical experience of experts of the international collective has considerably enriched over a short span of time the expedition collective has achieved great geological results, which has led to the decision to extend the term of the expedition's work up to 1990.

At present, the IGE has become a production enterprise capable of tackling complex tasks on survey and research of natural resources. It renders tangible aid to the MPR in expanding the country's mineral and raw material resources, G. Sanduijab noted.

THAI PAPER INTERVIEWS MON LEADER NAI NONLA

BK100700 Bangkok THE NATION in English 10 Aug 85 p 2

[Report on interview with Nai Nonla, president of the "New Mon States Party," by an unidentified reporter at a "border point" 9 August]

[Text] The Burmese Government plans to drive out armed minority groups, especially the Karen and Mons, from the mountainous jungle areas near the Thai border within the rainy season, a Mon leader claimed yesterday in an interview at a border point. Nai Nonla, president of the "New Mon States Party," said during March-May the Mon fighters staged about ten attacks monthly on the Burmese positions in Thanbyuzayat, Ye and Moulmein of Burma before the rebels withdrew to the jungle at the end of May.

He said seven rebels and eight Burmese government troopers were killed in the fightings during the period. The rebels captured six Burmese and a number of weapons and also destroyed a railbridge about 150 kilometres from the Three Pagoda Pass with a bomb, he claimed.

He said the latest fighting between the Mon rebels and the Burmese government troops was reported during July 18-19, about 15 kilometres from the Three Pagoda Pass in Kanchanaburi. He said seven Mon fighters, five Mon civilians and three Burmese troopers were killed during the two-day battle. According to the rebel leader, the Mon fighters also seized two rifles from the Burmese troops.

Nonla said there are four Burmese battalions in the areas claimed by the New Mon States Party. The Burmese government troops, comprising Battalions 312, 31, 61 and 32 are stationed in Thanbyuzayat, Ye, Mudon and Kya-in of Burma, he added. According to the rebel leader, the National Democratic Front of the Burmese armed minority groups (NDF) have set up three resistance zones against the Burmese government troops.

Nonla said the Mon, the Karen and the Arakan forces are responsible for the resistance against the Burmese forces in the southern part of Burma while the Kachin, the Shan and the Palaung forces take control of the north. He said the Karen, the Pa-o and the Wa rebels are responsible for the fighting against the government troops in the central part.

According to Nonla, the Burmese government has kept up military pressure on the minority forces to drive the rebels out of their hideouts. He said some members of the NDF also have some problems with the Shan United Army [SUA], another rebel group led by Khun Sa, a drug kingpin who deals in narcotics trade along the frontier with Thailand.

Nonla said the SUA has been trying to occupy the areas of Mae-or, which is controlled by the Pa-o group. He said Khun Sa's forces recently invaded the Pa-o area but were pushed back by the combined forces of the Pa-o and the Wa. Nonla also expressed confidence that the armed minority groups are still able to resist the Burmese government forces despite the lack of heavy weapons, such as artillery pieces. He said several Burmese artillery pieces are employed in many positions to attack the rebels. He also said about 3,000 Mon fighters, armed with rifles, mortar and recoilless rifles, are engaged in the fighting with the Burmese government troops in the southern part of Burma.

SPK REJECTS CHARGE BY U.S. LAWYERS' GROUP

BK130506 Phnom Penh SPK in English 1107 GMT 12 Aug 85

[Text] Phnom Penh SPK August 12 -- In a report made public recently, the Lawyers' Committee for International Human Rights of the United States, based on slanderous and nonsense remarks gathered in "refugee camps" and the Kampuchean-Thai border has claimed "violation" of human rights in the People's Republic of Kampuchea.

Forced to admit that in the Pol Pot sanctuaries where the U.S. lawyers had made on-spot investigations, the acts of terror, oppression and maltreatment were frequent, the report, however, wanted through its gross and tendentious slanders to put on a par the barbarous regime, universally condemned by world public opinion including progressive opinion in the United States, and a civilized and humanitarian regime respected and supported by peoples the world over.

It is a villainous move of using the problem of human rights to recreate the so-called Kampuchea problem to darken the prestige of the PRK and incite world opinion against the rebirth of Kampuchea.

KAMPUCHEAN NEWS AGENCY is authorized to categorically reject those ill-intentioned, groundless allegations in the above-mentioned reports. All the misinformation and slanders could by no means distort the reality in the PRK where citizens fully enjoy the rights guaranteed by the Constitution, above all the right to live without threat from the Pol Pot clique.

HENG SAMRIN CONGRATULATES YOUTH DELEGATIONS

BK130702 Phnom Penh Domestic Service in Cambodian 0430 GMT 13 Aug 85

[Text] Comrade Heng Samrin, general secretary of the party Central Committee and chairman of the PRK Council of State, recently sent a congratulatory message to youth and student delegations attending the 12th World Youth And Students' Festival in Moscow. Among other things, the message says:

The 12th festival of youth and students in Moscow was a great event for young people the world over and was held at a time when the world situation was very tense and complex due to the influence of warmongering imperialism, led by the U.S. imperialists, who are advancing the arms race and implmenting a policy of confrontation to create tension in every region with the goal of achieveing military superiority over the Soviet Union and reigning as emperor of the world. This has put humanity on the edge of the devastating nuclear war.

In conclusion with the U.S. imperialists, the Beijing Chinese leaders have waged a de-structive war in every form against the peoples of Cambodia, Vietnam, and Laos, and have nurtured the remnants of the Pol Pot bandits and other Cambodian reactionaries, who use Thai territory as a refuge to wage a destructive war against the Cambodian people's re-birth. They have moved the ASEAN countries and Indochina toward confrontation to serve Beijing's expansionist maneuvers. This collusion and the Washington-Tokyo-Seoul alliance are seriously threatening peace and security in Southeast Asia and the Asia-Pacific region.

The 12th youth and students' festival, which has rallied youths and students of every political tendency and religious belief from various countries in the land of a people who have sacrificed 20 million of their children to save mankind from the danger of a war waged by the Hitlerite fascists, has great significance. This year, progressive mankind is celebrating the 40th anniversary of the victory over Hitler's fascists to commemorate the persistent struggle of peace-loving people. Progressive mankind cannot forget the heroism of the Soviet Red Army, which was a definitive and decisive factor in smashing the fascist regime. The lesson to be drawn from this is the need to struggle against wars before they start. The youth and students' festival represents a show of strength to continue the tradition of previous festivals' with the noble goal of achieving unity against imperialism for peace and friendship.

We are convinced that the strength of today's youths in checking wars and safeguarding peace is greater than at any other period. The Cambodian people, who have been struggling for decades in national liberation wars and who are survivors of the Pol Pot-Ieng Sary-Khieu Samphan genocidal regime, lackeys of the Beijing hegemonist-expansionists, have the most profound desire for peace, independence, and freedom. This is why our party, people, and government denounce every maneuver and activity of imperialism and warmongering reactionaries. We fully support the peace initiatives of the Soviet Union, socialist countries, and other peace-loving countries. We strongly support the struggle of peoples in Asia, Africa, and Latin America against imperialism, old and new colonialism, expansionism, apartheid, and Zionism and for peace, national independence, freedom, democracy, social progress, and a new, just, and equitable international economic order.

Along with the fraternal peoples of Vietnam and Laos, we will always struggle to transform Southeast Asia into a region of peace, stability, friendship, and cooperation to contribute to strengthening peace and stability in the region and the world.

HENG SAMRIN CHAIRS REGULAR STATE COUNCIL MEETING

BK121313 Phnom Penh SPK in English 1100 GMT 12 Aug 85

[Text] Phnom Penh SPK August 12 -- The State Council of the People's Republic of Kampuchea has held a regular meeting with President Heng Samrin in the chair.

The meeting decided to confer the "Labour Order," Second Class, on the Kampuchea Federation of Trade Unions, and the "Fatherland Defence Order," Third Class, on seven combatants. It also studied a draft law-decree on defense duties, adopted a project for law making in 1985, and approved a proposal for provincial and city people's tribunals to deal with civil matters.

A report on the nomination of two vice cabinet ministers and another report on the socioeconomic situation in July 1985 were also made to the meeting.

'MISLED PERSONS' SURRENDER IN TONLE SAP AREA

BK120800 Phnom Penh Domestic Service in Cambodian 1300 GMT 11 Aug 85

[Text] In close cooperation with the Buddhist clergy, people, and ethnic groups, local authorities throughout the country have actively spread deeply within enemy ranks the 6-point policy of leniency advocated by the party, enabling the misled persons living under enemy coercion to firmly grasp party policy and to clearly realize the multifaceted perfidious maneuvers of the Pol Pot bandits.

Many of them have returned to live with their families in the national society. In fact, in a number of provinces around Tonle Sap Lake, 1,117 misled persons have surrendered to the authorities, bringing with them 133 assorted weapons and some war materiel. At the same time, the Kampuchean Revolutionary Army, in cooperation with the population, caused a company and a battalion of the enemy forces to collapse.

VODK: SON SANN REJECTS RUMOR OF RIFTS IN CGDK

BK130406 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT 12 Aug 85

[Text] In a statement issued in Paris, France, on 9 August, CGDK Prime Minister Son Sann rejected a rumor about rifts among the CGDK factions. He also called on Western countries to give more aid to the anti-Vietnam Cambodian resistance forces and to further support the CGDK in the coming UN General Assembly session.

VODK ON SOVIET 'EXPANSIONIST' STRATEGY IN ASIA

BK120443 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT 11 Aug 85

[Station commentary: "The Soviet Union Cannot Cover Up Its Expansionist and Aggressive Strategy in Southeast Asia"]

[Text] At the end of July, during the visit to Southeast Asia by Zaytsev, head of the Southeast Asian Department of the Soviet Foreign Ministry, the ASEAN countries proposed that the Soviet Union stop providing assistance to Vietnam and pressure Vietnam into joining proximity talks with the CGDK as proposed by the ASEAN countries to resolve the Cambodian issue politically; let Cambodia recover its independence, peace, sovereignty, and nonaligned status; and restore peace and stability to Southeast Asia. However, Zaytsev rejected this proposal. Furthermore, Zaytsev tried to convince ASEAN and world public opinion that the Soviet Union has no regional ambitions.

However, despite Zaytsev's words, the Soviet Union cannot cover up its expansionist and aggressive ambitions in the region. Countries in the region as well as the international community do not listen only to the Soviets' song of peace and lies -- they also watch the Soviets' concrete actions. In the past almost 7 years of genocidal war in Cambodia, the Soviet Union has not only been providing weapons, ammunition, and all kinds of assistance to Vietnam, but the Soviet international expansionists have also been directly involved. Their goal is for Vietnam to annex Cambodia and set up the Indochinese federation, to be used by them as a stepping stone for their aggressive and expansionist strategy in Southeast Asia.

Here are concrete examples:

1. Soviet military advisers participating in the Vietnamese war of aggression in Cambodia have increased. Various international observers and reporters who have been in and out of Phnom Penh have confirmed this many times.
2. Soviet assistance to Vietnam has steadily increased from a daily total of over \$2 million to \$3 million, to \$6 million, and now to more than \$8 million. Soviet ships have frequently docked at the Cambodian port of Kompong Som, bringing all kinds of weapons, ammunition, artillery, and war materiel to the Vietnamese forces so that Vietnam can continue its war of aggression in Cambodia.

3. In the international arena, particularly at every session of the UN General Assembly, the Soviet Union defends Vietnam's war of aggression in Cambodia and carries out all sorts of deceitful diplomatic maneuvers in an attempt to legitimize the Vietnamese act of aggression in Cambodia. In other international forums, the Soviet Union behaves the same way.

Vietnam is a poor country that has just emerged from a destructive war that lasted over 30 years. Without the cooperation of Soviet international expansionism, which provides it with all kinds of assistance, Vietnam would not have the capability to wage a war of aggression in Cambodia this long -- no matter how stubborn it is. Furthermore, along with fully cooperating with Vietnam to wage this war of aggression and genocide in Cambodia, the Soviet Union has also set up, expanded, and strengthened its military bases in Vietnam, both naval and air bases. These are capable of conducting operations throughout Southeast Asia and the Pacific area.

This is clearly preparation for implementing the Soviet regional expansionist and aggressive strategy, which neither Zaytsev nor any other Soviet leader can cover up and hide.

The Soviet Union, by its rejections and denials concerning ASEAN's demand to discontinue assistance to Vietnam and pressure it into accepting the recent talks proposal to resolve the Cambodian issue, has clearly shown countries in the region and the international community that it is not willing to abandon its aggressive and expansionist ambitions. It continues to stubbornly implement its regional strategy.

Faced with the stubbornness of the Soviet Union and Vietnam and the danger of an expansionist war being jointly waged by Vietnam and the Soviet Union, the international community, in particular countries in the region, clearly see that it is necessary to unite and pressure Vietnam more vigorously in every field, while continuing to provide greater support and assistance to the just struggle of the Cambodian people and the CGDK. This would allow the CGDK to more vigorously continue the struggle against the Vietnamese aggressors on the battlefield and force the Vietnamese to encounter difficulties -- economic, military, political, and diplomatic -- until they can no longer endure them and are forced to negotiate the Cambodian issue peacefully and in accordance with the resolutions of the past 6 sessions of the UN General Assembly -- unconditionally withdrawing all their aggressor forces from Cambodia and letting the Cambodian people decide their own destiny. Only the unconditional withdrawal of all Vietnamese aggressor forces from Cambodia and the letting the Cambodian people decide their own destiny can eliminate the danger of the aggressive and expansionist strategy of Vietnam and the Soviet Union in the region and ensure a definitive peace, security, and stability for this region.

MASS RALLY HAILS SUCCESS OF MOSCOW YOUTH FESTIVAL

BK101308 Vientiane KPL in English 0857 GMT 10 Aug 85

[Text] Vientiane, August 10 (OANA-KPL) -- The national preparatory committee for the 12th World Festival of Youth and Students in collaboration with the Lao People's Revolutionary Youth Union CC, organized here yesterday a 1,200 strong mass rally to hail success of the 12th world festival recently closed in Moscow.

Among those present at the meeting were Phoumi Vongvichit, Political Bureau member of the LPRP CC, vice-chairman of the Council of Ministers, Saman Vignaket, Secretariat member of the LPRP CC, head of its Organization Committee, and chairman of the national preparatory committee for the 12th world festival, and other senior officials.

After hearing a report on the contribution of the Lao youth delegation to the festival, the rally unanimously voiced support to an appeal adopted by the delegates to the festival. Under a slogan "for solidarity against imperialism, for peace and friendship," delegates from more than 150 countries firmly expressed their support to the moratorium on the testing of nuclear weapons put forth by the Soviet Union, head of the Lao youth delegation reported to the rally.

The participants further expressed determination to consolidate the solidarity and friendship with youth and students of the nations in the struggle against imperialism, colonialism, neo-colonialism, hegemonism and expansionism, racism and other forms of oppression, for peace, independence, democracy, and social progress. On the occasion, the rally also thanked the Soviet youth and people for their support given to the Lao delegation during the festival.

INDIAN DELEGATION CONCLUDES VISIT, DEPARTS

BK130958 Vientiane KPL in English 0855 GMT 13 Aug 85

[Text] Vientiane, August 13 (OANA-KPL) -- A delegation of the Indian Centre for Indochinese Studies led by its director T.N. Kaul left here on August 12 after concluding a three day visit here at the invitation of the Lao Ministry for Foreign Affairs.

The Indian delegation while in Laos was received by Nouhak Phoumsavan, first vice-chairman of the Council of Ministers, acting-chairman of the Council of Ministers; Sali Vongkhamsao, vice-chairman of the Council of Ministers, and chairman of the State Planning Committee; Soulivong Phasitidet, deputy-minister for foreign affairs; Nousai Sitthisai, deputy-minister of industry, handicraft and forestry.

At the warm and cordial talks, the two sides discussed various regional issues including the economic, scientific and cultural cooperation between Laos and India.

Earlier the delegation attended the seminar held in Phnom Penh between the three Indochinese countries and the Indian Centre for Indochinese Studies.

LAO BORDER 'QUIET' AS SOLDIERS WITHDRAW

BK130046 Bangkok THE NATION in English 13 Aug 85 p 2

[Text] Nong Khai -- Thai troops have withdrawn from the border area in Sangkhom District opposite Laos as Thai Embassy officials in Vientiane held talks with Laotian officials to defuse border tension following a shooting incident last week, a senior provincial official said yesterday.

Governor Sakda O-pong said the border situation has returned to normal and most of the Thai troop reinforcement sent to guard the border have been pulled out. "Some units will remain in their positions, however," he said. Sakda said authorities of the two countries will later discuss the damage caused to several houses on the Thai side during the fighting on Friday and Saturday.

The governor said Thai troops began pulling out of the area in Sangkhom District on Saturday evening. One Thai policeman was killed when the two sides exchanged gunfire across the Mekong River.

"The situation is now quiet," the governor said.

Incident Said 'Handled Well'

BK130042 Bangkok THE NATION in English 13 Aug 85 p 4

[Editorial: "Thai-Lao 'Incident' Correctly Handled"]

[Text] There are always trigger-happy soldiers who fire across frontiers for reasons known only to them. But the shooting across the Mekong River by Laotian soldiers should not be magnified into a major incident as frequently happens when Vietnamese shells fall across the Kampuchean border and troops make sudden incursions into Thai soil. Sure enough there is some diplomatic abrasiveness regarding three unimportant villages between Thailand and Laos but we do not think Friday's and Saturday's shooting is in any way connected with that.

It is of course deplorable that one Thai policeman has been killed and some tractors disabled. In such incidents of course the wheels of the government machinery turn very slow. It took a couple of days before Thai Ambassador to Laos Somphong Faichampa could be contacted and he could contact the authorities in Vientiane to stop the across-the-river shooting.

We are glad that Nong Khai Governor Sakda O-pong and Ambassador Somphong took the matter in hand and defused the tension as promptly as they could. The riparian district of Si Chiang Mai is important to Laos also because it is one of the transit points from which most of the goods to the land-locked country are transported after transshipment from Bangkok by both rail and road.

Border incidents of a similar nature occur frequently between Burma and Thailand but there is never a flare-up between Bangkok and Rangoon. Most of these incidents happen because of various Burmese rebel groups in the north and because of the drug trafficking that goes on in that area. The main point about such border incidents -- whether with Laos or Burma -- is to keep it at the local level and not magnify the issues.

But the incidents that occur along Thailand's border with Kampuchea are of a different nature. There is an actual guerrilla war going on in that country against the attempt by the Vietnamese to occupy Kampuchea and much of the fighting is done along the Thai border. Under these circumstances one can understand some of the war spilling over, but there are good reasons to believe that the Vietnamese forces fire shells into Thailand and make incursions into this country deliberately.

But this is not the case with Laos where no guerrilla war is going on and the latest incident which happened is not due to an indistinct border but occurred where there is a clear division between the two countries with the big Mekong River flowing between them. Whatever the causes of the shooting, the matter has been handled well by localizing the incident and we hope it will all be forgotten in a few days.

TEAM BACK FROM MALAYSIAN TALKS ON HELD FISHERMEN

BK130053 Bangkok BANGKOK POST In English 13 Aug 85 p 3

[Excerpts] Songkhla -- Some 120 Thai fishermen arrested last month on charges of intruding on Malaysian waters are being detained in the Kelantan State Prison awaiting a court trial. They are the crewmen of the five trawlers captured by a Malaysian naval patrol on July 25.

The news was broken yesterday by a 12-man team which returned here after two days of talks with Malaysian authorities for the release of the captured Thais. Among the group was Songkhla Marine Police Division Commander Pol Col Kiatkong Nanthakit who said the fishermen were held in prison after pleading innocent before the Kelantan State Court on August 9. He said they were to stand trial on September 1, and if found guilty each of them could be fined up to 10 million baht.

The team was reportedly told by the Malaysian police that a lawyer should be appointed to fight the court case. Pol Col Kiatkong said this was because the Thai vessels were reportedly more than 100 nautical miles from Malaysia and were on the borderline when they were taken. The question of whether the Thai fishing boats were inside Malaysian territorial waters then arose, he said.

Anan Anantakun, director of the Southern Administration Centre, told the BANGKOK POST yesterday that the Thai-Malaysian border committee, chaired on the Thai side by the Interior Minister, had "closely followed the problem" and a provincial team had been set up to talk with Malaysian authorities to solve the problem. However, the work would take some time because it involved diplomatic matters which could not be carried out as quickly as the fishermen might have wanted, he said.

PAPER VIEWS POSSIBLE MALAYSIAN BORDER COOPERATION

BK110516 Bangkok NAEON in Thai 10 Aug 85 p 4

[Editorial: "Foreign Troops"]

[Text] Deputy 4th Army Region Commander Major General Panya Singsakda, who is also deputy chairman of the Thai-Malaysian Border Committee, said that Malaysian troops should be allowed to enter Thai territory in combined operations to suppress the Communist Party of Malaya [CPM].

He reasoned that such operations would be mounted in accordance with the bilateral military cooperation agreement and would be able to reduce the rate of casualties suffered by Thai troops in suppressing CPM insurgents.

The pros and cons of the deputy 4th Army Region commanders's proposal, which will be forwarded to the National Security Council should be carefully considered.

We once allowed Malaysian troops to carry out operations on Thai soil, but a lot of problems occurred afterward. On several occasions, the Malaysian forces entered to carry out operations in Thai territory without giving advance notice, causing casualties and the death of many innocent Thai Citizens. Besides, when entering Thai soil for operations, the Malaysian soldiers also left some weapons for the separatist bandits, to which a Malaysian political party still declares support. The leaders of the separatist movement are now living peacefully in Malaysia. After these negative consequences, the cooperation agreement was modified to military coordination with the Thai forces in response to suppression operations inside Thai territory.

The problem of the CPM is the security of Malaysia while the problem of the separatist bandits is the security of Thailand. Although we have been very cooperative with Malaysia in helping to supress the CPM, we never received any cooperation from Malaysia in cracking down on separatist bandits.

Allowing foreign troops to operate in the country will affect its sovereignty and territorial integrity. Therefore, such authorization should be reserved for critical situations only, such as when the country is intruded into by another country or our forces are too weak to take action. Besides sovereignty and territorial integrity, the political impact should also be considered. It is wrong to look at any problem from just one angle. It would be short-sighted if we considered only the outcome of the suppression drive.

GOVERNMENT TO LOOSEN CONTROL OVER TV STATIONS

BK120119 Bangkok BANGKOK POST In English 12 Aug 85 p 5

[Text] The Government is to allow more freedom in television broadcasting, National Radio Broadcast Control Board [NRBCB] Secretary General Bang-oen Musikaphong said yesterday. Mr Bang-oen said that NRBCB members have agreed that from now on the board will try to be "more open" to creative TV programmes and will interfere less in broadcasting. This will mean that producers can use their own ideas without the NRBCB examining small details of the productions as it has done in the past. The board, however, will take action against producers who go beyond ethical limits in their programmes. But no universal measure would be imposed as in the past, to avoid affecting other programmes which observe the official rules, he said.

Mr Bang-oen also said that a television boradcasting sub-committee will meet for the last time "soon" to consider how to fully utilise TV Channels 3 and 5 which do not broadcast between 6:30 and 8 p.m. All four TV channels had to stop broadcasting during this period as part of the government's energy conservation plans, but two of them have been given permission to broadcast educational programmes for Ramkhamhaeng and Sukhothai Thammathirat universities. Since the need for energy conservation has decreased, the sub-committee is considering how to utilise the two TV stations, if they are given permission to resume broadcasting during the one-and-a-half-hour period, for the benefit of all groups of viewers, he added.

THAI SCHOLARS URGE CHANGE IN POLICY ON CAMBODIA

BK121516 Hanoi International Service in English 1000 GMT 12 Aug 85

[Text] The main topic of the debate that started in Bangkok on 6 April 1985 is about Thailand's tough foreign policy of tailing after China and the United States in the Kampuchean issue. Most of the 40 scientists, politicians, and diplomatic officials joining the debate maintained that it is time for the government of Prime Minister Prem Tinsulanon to reconsider its policy toward regional issues, especially the Kampuchean question.

Analyzing Thailand's strategy in the world today, Dr Somchai Rakwichit said: If the war drags on with the Khmer Rouge operating along the Thai-Kampuchean border, China supplying arms through Thailand, and the tripartite coalition freely using Thai soil, the government's military budget must be bigger. The Thai Army will be destroyed if it gives all-out support for Chinese attacks on Vietnam and Kampuchea.

Many participants considered it very harmful to back up the corpses of genocide [as heard]. In their view, only China wants to maintain the bridge with the Pol Potists. The English-language paper THE NATION on 25 April quoted a scholar as saying that China would only accept a solution that guarantees its interests in Kampuchea and protects its protege.

Not a few of them hold that China's continued arms supply to the tripartite coalition has caused trouble to Thailand. Dr Somchai Rakwichit said: The government should extricate itself from the Kampuchea and the Indochina issues. Another scholar called on the government to negotiate with Vietnam as early as possible because a drawn-out conflict in Kampuchea would cause more sufferings to Thailand. This conflict, said THE NATION on 27 April, must come to an end soon for genuine national interests. THE NATION also pointed out that Vietnam has no intention to invade or occupy Thailand.

In the 21 June issue of the ASIA WEEK, Dr Kraisak Chunhawan said that Vietnam is not a threat to the security of Thailand. He rejected the allegation that Vietnam has violated the right to self-determination of the Kampuchean people. Why have the 5 million Khmer people not risen up against Vietnam, Dr Kraisak Chunhawan asked. [Words indistinct] the fundamental policy of Vietnam is to help the Kampucheans revive, and no Kampucheans want Pol Pot to come back. This is an undeniable fact.

The review DIPLOMACY in its July issue criticized Bangkok's hard policy of refusing to negotiate with the three Indochinese countries. It said: Thailand will be further isolated or will bump into two obstacles. The Pol Potists have been battered, and Pol Pot is an unforgettable murderer.

In the review SU ANAKHOT, Prof Sukhumphand Boriphat emphasized the need to seek a genuine peace and to reconsider the government policy toward the Khmer Rouge and to stop backing the Khmer Rouge.

MP Songtham Panyadi flatly rejected Foreign Minister Sitthi Sawetsila's allegation that Thai support for Democratic Kampuchea is to defend its sovereignty. He considered this very harmful and tantamount to inviting the enemy into Thailand.

NHAN DAN ON STRENGTHENING MARKET MANAGEMENT

BK120525 Hanoi Domestic Service in Vietnamese 2300 GMT 7 Aug 85

[8 August NHAN DAN editorial: "Implementing the Resolution of the Fifth Party Central Committee's Eighth Plenum, Let Us Strengthen Market Management, an Extremely Important Task"]

[Text] To begin implementing the new management system based on socialist accounting and business practices set forth by the resolution of the eighth plenum of the party Central Committee, we must apply many well-coordinated measures, of which is market management.

The existence in our country of many economic components and numerous forms of exchange has given rise to inevitable contradictions and difficulties in economic management. These are the differences between the prices of goods sold by the state and the prices of goods available on the free market and among prices in different areas. The price differences are the imbalance between supply and demand regarding certain kinds of goods in society -- an imbalance that the state is still unable to rectify alone. They are profit-seeking, speculative activities undertaken by people when the harvests are poor or when there are market shortages. Dishonest traders and a number of bourgeois elements who have avoided transformation are very alert in matters concerning money, goods, and consumers' demands. They are constantly on the lookout for and ready to take advantage of shortcomings and weaknesses of the state's economic management apparatus. Sometimes they even bribe or collude with bad elements in the state-operated trade sector to carry out profit-making activities. Despicable smugglers and speculators also contribute to destabilizing market prices. Meanwhile, our enemy has been waging a multifaceted war of sabotage against our people, especially in the domain of marketing, pricing, and money, in conjunction with spreading baseless rumors in an attempt to weaken us economically and to sow confusion among our people.

The market is not only a place where buying and selling activities are undertaken but also a place where all complex economic relations in the field of goods distribution and exchanges are established and where the struggle between the two roads -- socialist and capitalist -- and between us and the enemy is waged. The new management system instituted by the resolution of the party Central Committee's eighth plenum urgently demands that the market be actively controlled. At the same time, the resolution itself has created a number of favorable conditions for us to constantly improve market management. Satisfactorily managing the market and prices is the decisive condition ensuring that the major change in economic management will achieve good results, guarantee the real wages of workers and civil servants, contribute to stabilizing the working people's standard of living and prices, enable the state to control the market, and promote the application of the socialist accounting and business system in order to achieve high productivity, quality, and efficiency.

To administer management over the market, we must resort to all three kinds of measures -- economic, administrative, and educational -- with the economic measures serving as the mainstay. Naturally, all speculators and smugglers and all unlawful activities must be sternly punished according to the law. Lenin once said: To avoid being defeated by the free market and free trade, we must know them inside out, compete with them, and beat them at their own game.

Whether the state has at its disposal large or small amounts of goods and much or little money, we must control the market and prices at all costs, especially in the major cities.

This is really an arduous and complex struggle that requires first of all rapid development of and far-reaching changes in the socialist trade sector -- including the state-run trade service and marketing cooperatives -- with regard to its material bases, organizational network, operational apparatus, cadres, and business and service methods.

This is an extremely important task which requires the intensive supervision and guidance of all party committee and administrative echelons. Failure to satisfactorily improve market management and change the state-operated sector's business methods could lead to a situation in which private traders would pocket a large portion of office and manual workers' wages, the state would not be able to control money and master prices, and the people's livelihood would be unstable.

By abolishing bureaucratic centralism and subsidization and by carrying out buying and selling activities correctly in accordance with the spirit of the eighth plenum resolution, favorable conditions will be created for the socialist trade sector to control goods and money more satisfactorily, derive profits from business activities, develop the purchase and sale networks vigorously, and surge forward to master the market. The socialist trade sector must actively take over the market in localities in which grain and other farm products and goods are available in large quantities and must absolutely not allow private traders to compete with the state in buying and selling goods. It is also necessary for the sector to immediately adopt concrete measures to ensure the state's unified management and monopoly over the purchase and sale of grain and other essential farm products through rational price policies and purchasing methods.

All goods sectors and localities must adopt substantially concrete plans and measures to work toward controlling the entire wholesale process and a large portion of the retail and service network. Plans should be formulated to reorganize the retail network rationally so as to satisfactorily serve the consumers along with restoring order on the market and preventing confusion in buying and selling activities. Doing business in an efficient direction, the state-operated trade sector must try even harder to cut down unnecessary intermediary links to ensure that goods are circulated without obstruction as well as to reduce expenses involving circulation, especially transportation, which is plagued with negative manifestations that adversely affect the actual wages and livelihood of workers, civil servants, and members of the armed forces.

Striving to basically complete the transformation of private trade by the end of this year is an urgent need that helps us embark on the new management system. It is necessary to step up the management of business cooperative stores, rearrange the number of small merchants, guide them in doing business in accordance with state management and prevent them from disrupting the market, and ensure that goods carry price tags and are sold in accordance with their price tags. Efforts must be made to quickly eliminate the production of fake goods -- especially foodstuffs and industrial products that affect the people's health -- and struggle against private traders who seek to evade taxes or falsely state profits from trade. It is also necessary to intensively track down and severely and duly punish speculators and smugglers.

Relaxing market and price management means relaxing the system of proletarian dictatorship. By coordinating closely with each other under the leadership of all party committee echelons and by relying on the strength of the working people who act as collective masters, the trade, finance, tax, banking, and public security sectors will certainly be able to master the market and prices. We must always remain vigilant and struggle effectively against enemy sabotage activities on the market and in the domains of prices and money and severely deal with rumormongers and those who seek to increase prices and disrupt the market.

Developing the socialist economic forces, carrying out the transformation of private industry and trade, and managing the market and prices are extremely important conditions for us to embark on the new socialist accounting and business system, thereby helping to develop production with high economic efficiency and stabilize the working people's livelihood.

DEVELOPING SMALL INDUSTRY, HANDICRAFT SECTOR URGED

BK130505 Hanoi Domestic Service in Vietnamese 2300 GMT 8 Aug 85

[NHAN DAN 9 August editorial: "Implementing the Resolution of the Fifth Party Central Committee's Eighth Plenum, Let Us Abolish Bureaucratic Centralism and the State Subsidy System and Take a New Step in Developing the Small Industry and Handicraft Sector"]

[Text] Implementing the party Central Committee's Eighth Plenum resolution, various economic sectors, including the small industry and handicraft sector, are in the process of abolishing bureaucratic centralism and subsidization and switching completely to socialist accounting and business in an effort to produce increasingly more consumer and export goods of high quality.

The small industry and handicraft production sector has supplied society with a volume of goods that accounts for nearly 50 percent of the gross output value of general industry and 70 percent of the gross output value of the consumer goods industry. This has contributed voluminously to mustering social goods funds. During the first 6 months of this year, the small industry and handicraft sector has produced a volume of goods worth 20 billion dong. This is equivalent to more than two-thirds of the value of consumer goods of local industry and shows an increase of 4.4 percent over the same period last year. Meanwhile, the delivery and sale of products to the state have also made headway as the state has been able to purchase many kinds of goods from various collective small industry and handicraft establishments and families.

These are initial results of the state's success in accurately fixing purchasing prices and applying suitable buying methods, which have won the sympathy of millions of handicraft laborers. However, besides its progress, this economic sector still shows many weaknesses in the delivery and sale of products, especially those made from self-acquired raw materials, to the state. There are many reasons for these weaknesses. However, the main reason is that prices are not reasonable and not based on the fact that various small industry and handicraft production establishments must pay for a large part of raw materials at agreed-upon prices themselves. Labor costs still do not correspond to production expenses and the practices of exerting pressure on producers and paying inadequate attention to production costs at each establishment are still widely prevalent.

The consequences of the practice of buying and selling as ordered have given rise to many manifestations of negativism. There are cases in which producers are willing to sustain a certain loss by delivering only a small quantity of goods to the state-operated trade sector while keeping the rest for sale on the free market in order to compensate for the loss and pocket large profits. Many honest goods sectors and production establishments cannot expand their business operations despite the fact that they possess great capabilities. Meanwhile, unpractical and unrevised policies on prices and financial and banking activities have caused many loopholes and confusion in work related to the control of prices and management of the market. This situation has also corrupted many cadres in charge of contractual work implementation and the procurement of goods and those responsible for managerial work at various establishments.

To ensure that a large quantity of small industry and handicraft products is placed under state control, in implementing the party Central Committee's eighth plenum resolution, it is necessary to quickly establish a correct system for the procurement, purchase, and delivery of products; completely abolish the system of management that is plagued with bureaucratic centralism, subsidization, and officialism and lacks fairness toward the collective economic sector; quickly switch to the socialist accounting and business system; and ensure the right to mastery in the production and consumption of goods of all handicraft production establishments. Only on the basis of accurately calculating production costs and correctly fixing prices for the purchase of products and compensation rates for contractual work will we be able to maintain relations between the interests of the state, the collective, and the laborer and to satisfactorily apply the principle of distribution according to labor.

Small industrial and handicraft production establishments must fulfill their obligations and responsibilities toward the state, while the state must apply adequate policies and pay due attention to this sector of collective production. All policies and procedures concerning the small industrial and handicraft economy should be uniformly, consistently, and seriously implemented. Regarding the prices applied in buying products and the compensation rates for contractual work, on the one hand they must be set in such a way as to enable establishments to cover all production costs including both human and embodied labor while making adequate profits to achieve accumulation for the purposes of expanded reproduction, to make contributions to the state, and to stabilize the laborers' standard of living. On the other hand, prices must correspond with the purchasing power of money if the consumers' interests are to be ensured.

The pricing, financial, and trade sectors, together with production establishments, should quickly do away with the state-subsidy factor in calculating production costs. In the immediate future, all expenses must be fully and accurately reflected in production costs. On this basis, a correct level of profit must be determined for each sector of goods, with incentives provided for the production of goods for export and original handicraft and fine arts products. Along with reorganizing production and renovating planning work, the small industrial and handicraft sector should regularly carry out research to introduce technical innovations, absolutely practice economization, and enhance productivity, quality, and efficiency in production and business operations. This is aimed at turning out large quantities of products of reasonable price acceptable to consumers.

On the basis of selling prices already fixed in accordance with the guideline concerning the abolition of state subsidies, all small industrial and handicraft production establishments have the obligation and responsibility to turn over and sell all products to the state-operated trade sector, including goods produced with supplies procured by the establishments themselves. Only when the state-operated trade sector does not want to buy can the establishments sell their products to other customers, but in so doing they must adhere to the regulations regarding market and price control.

By renovating the management mechanism in accordance with the socialist accounting and business system, stepping up production, selling large amounts of products to the state, and correctly implementing the market management policy, the small industrial and handicraft sector will make a practical contribution to implementing the resolution of the party Central Committee's eighth plenum.

SRV'S NGUYEN CO THACH TO VISIT 21 AUGUST

BK121311 Jakarta Domestic Service in Indonesian 1200 GMT 12 Aug 85

[Excerpt] President Suharto received Foreign Minister Mokhtar Kusumaatmaja this morning at the National Palace. Mokhtar reported that the scheduled 3-day visit to Indonesia by Vietnamese Foreign Minister Nguyen Co Thach will begin on 21 August. Mokhtar also reported on his plans to attend the nonbloc foreign ministers conference scheduled to be held from 2-7 September in Luanda, Angola.

SINAR HARAPAN ON DIRECT TRADE WITH PRC

BK120534 Jakarta SINAR HARAPAN in Indonesian 5 Aug 85 p 6

[Editorial: "The Results of the Indonesian Chamber of Commerce and Industry's Visit to the PRC"]

[Text] Part of the Indonesian Chamber of Commerce and Industry [Kadin] delegation, which left for the PRC on 26 July, has returned home, while the rest is still holding trade negotiations in Shanghai and Guangzhou.

The delegation has tentatively secured the PRC's commitment to buy Indonesian commodities worth over U.S. \$350 million and the latter's readiness to send a delegation of 50 PRC businessmen on a 10-day visit to Indonesia beginning 10 August.

Undoubtedly, the PRC's trade commitment is "fresh air" to the Indonesian business sector challenged to promote nonoil and nongas exports. This also means that the PRC can become a new market for Indonesian goods even though diplomatic relations between the two countries have not yet been restored. A new alternative for marketing Indonesian goods will certainly enhance the implementation of Indonesia's free and active policy and of the government's decision to diversify markets for Indonesian goods in addition to those in Western Europe, Japan, and the United States.

The 1985 Indonesian production exhibition is taking place in Jakarta to commemorate the 40th anniversary of our independence. As has been known, marketing is in fact very important in the business process before production takes place. Now, marketing has even determined production, not the other way around.

To increase production without trying to expand marketing will certainly be meaningless and even harm the producers themselves. This being the case, the new alternative for marketing Indonesian goods to the PRC will certainly have some advantages considering the objective of the production exhibition.

In this connection, we believe that the visit by 50 PRC businessmen at a time when the 1985 Indonesian production exhibition is taking place will be highly relevant in the effort to promote nonoil and nongas exports.

Presidential Instruction No 9/1985 on guidelines for the implementation of direct trade relations between Indonesia and the PRC states that all trade commodities can in principle be exported to the PRC by abiding by procedures issued by the Indonesian Government and international bodies on the commodities concerned. The PRC delegation will certainly visit the 1985 Indonesian production exhibition and observe Indonesian goods in terms of their quantity and quality. In other words, the would-be buyers will come to the production site. Certainly, this will give a good opportunity to Indonesian businessmen who have not visited the PRC to sell all trade commodities to the country of some 1 billion people. However, we should remember that economic and trade issues are usually directly tackled by the government itself in socialist countries like the PRC.

In these countries, businessmen are in fact government officials who are in charge of their respective duties. Negotiations with government officials are not generally as flexible as those with real businessmen. In addition, the mentality of a government official is usually different from that of a businessman in business affairs.

The principle of reciprocity exists in international relations. As the Kadin delegation has secured the PRC's commitment to buy a number of Indonesian commodities, it would be normal for the PRC to expect Indonesia to do the same. In other words, Indonesia is also expected to buy a number of PRC commodities in the future in the framework of direct trade relations. In this regard, Indonesia has expressed its readiness to buy raw material such as cotton and coal from the PRC.

Indeed, the president's instruction states that all PRC goods can also in principle be imported by observing government policies on the protection of domestic industries.

We hope that the government will really control the entry of PRC goods to the country to prevent the Indonesian market from being flooded with other PRC commodities that will in turn "beat" our domestic goods, which should still in fact be protected.

INFORMATION MINISTER REVOKE'S PAPER'S LICENCE

BK111433 Jakarta KOMPAS in Indonesian 3 Aug 85 p 12

[Text] Jakarta, KOMPAS -- Information Minister Harmoko has revoked the publishing licence of BERITA JAYAKARTA published by the Jaya Foundation in Jakarta. The ruling, signed by the director general of press and graphics promotion, took effect on 30 July 1985. The publishing licence was revoked on the grounds that the weekly had violated several provisions stipulated in its licence -- namely it had changed its publication into a daily newspaper and restructured the composition of its editorial board without the information minister's prior approval.

First published in 1966, BERITA JAYAKARTA became an 8-page daily newspaper on 27 July. On its first day as a daily, it stated that it would focus more on the issues of rural economy and cooperatives. Before becoming a daily, it had started to employ more reporters and had expanded its editorial board.

TWO INFANTRY STRATEGIC COMMANDO UNITS FORMED

BK100135 Jakarta Domestic Service in Indonesian 1200 GMT 9 Aug 85

[Text] Indonesian Infantry Chief of Staff General Rudini today commissioned two infantry strategic commando divisions and by this automatically demobilized the Lingut Commando Task Force I and the Infantry Commando Task Force II. This was done in alignment with the reorganization programs of the Indonesian Infantry. The two divisions that were commissioned are the 1st Division of the Bogor Infantry in Siladong, and the 2d Division of Kostrad [Army Strategic Command] -- in Malang.

Gen Rudini also appointed Major General Sugito as the new commander of Kodam [Regional Military Command] Jaya replacing Major General Trisutrisno. Maj Gen Trisutrisno will be the new deputy chief of staff for infantry. He replaces General Banbang Riyanto

SINGAPORETRADE MINISTER OPPOSES 'PANIC' ECONOMY STEPS

BK091351 Singapore THE STRAITS TIMES in English 9 Aug 85 p 1

[By John Tan]

[Text] There should be no panic measures or hastily-conceived schemes to try to stimulate the economy, Trade and Industry Minister Dr Tony Tan said yesterday. A "quick fix", which does not lead to lasting benefits, is out. And suggestions that wages and CPC [Central Provident Fund] contributions be cut across the board are unacceptable because they would not bring the desired results, he said.

Some profitable companies can still afford pay increases, and cutting workers' salaries reduces purchasing power. Instead, solutions to economic problems are being worked out and would be implemented speedily. There is no need to wait for the next budget before acting on them, he said. "We have identified the problems. We are working out the necessary measures. We will implement these measures expeditiously. "The quicker we can adapt and adjust in government policies, worker-management relations and industrial restructuring, the sooner will be the economic recovery," he said. Dr Tan said the present difficulties should be seen in the perspective of the past six good years during which Singapore achieved high wage rises, productivity increases, good economic growth, public sector surpluses, and a strong currency. "As a result, our economy is sound and resilient," he said.

In his overview of the economy given to the Press at the Istana Cabinet Room, Dr Tom said wage flexibility and restraint are needed. The Government must help businessmen, particularly small businessmen, tide over their difficulties. Small businesses should not be crippled by lack of liquidity, he said.

The Economic Development Board and Trade Development Board would help improve management skills and penetrate new markets. The Small Industries Finance Scheme would be expanded and its scope liberalised. And the Government would stimulate construction by speeding up tourism-related and recreational-cultural projects which enhance the quality of life but would not add to the shop and office glut.

Dr Tan said the recession is an opportunity for a critical reexamination of economic fundamentals. Rigidities and inefficiencies that have crept into the economic system can be ironed out. "Then we will emerge from the recession with a more responsive and market-oriented economy," he said.

The Economic Committee had identified the major problems in the economy. They included high wages in relation to productivity, high costs, and some industries suffering from lack of demand. The Government had taken the lead in reducing costs by cutting charges of major statutory bodies and some taxes and would continue to do so as long as these are consistent with long-term national policies. New measures to attract investment would be introduced. Regulations affecting businesses are also being reviewed. But management and workers play crucial roles too, he said. Management should upgrade the skills of workers and make changes to raise efficiency and productivity. And workers and unions, in working with management, could signal to overseas investors that the workforce is disciplined and responsive, with a realistic, flexible attitude to wage expectations.

Dr Tan commented unions for voluntarily giving up this year's NWC increase. "When the economy has recovered and companies are thriving, workers can justifiably expect management to share the fruits of success with workers in the form of bonus or incentive payments," he said.

OPPOSITION FILES MARCOS IMPEACHMENT RESOLUTION

HK130937 Hong Kong AFP in English 0903 GMT 13 Aug 85

[By Cecil Morella]

[Text] Manila, Aug 13 (AFP) -- Philippine opposition members of parliament today filed an unprecedented impeachment resolution against President Ferdinand Marcos, fueling expectations of a snap presidential poll this year. The ruling New Society Movement (KBL) Party swiftly retaliated by demanding a first-ever confidence vote on the chief executive. Mr. Marcos has been president for 20 years.

A total of 56 M.P.'s, nearly a third of the 180-member parliament, signed the resolution, accompanied by a sworn complaint, accusing Mr. Marcos in the assembly today of graft, violating the Constitution and his oath of office and "other high crimes."

The KBL has warned that it may call for a snap presidential election this year, possibly in November, to gain a fresh mandate for Mr Marcos if the impeachment move pushed through. The KBL has more than enough votes to kill the opposition effort at the committee level, and its leaders have reacted vehemently to the move, saying it would erode the president's authority at a crucial time. The KBL also has raised the possibility that the National Assembly will be dissolved, and that M.P.'s behind the impeachment move will face sanctions, including libel suits and expulsion from parliament.

The impeachment move initially was snagged when the assembly secretary general refused to receive the documents and said he needed more time and consultations with Speaker Nicanor Yniguez on the proper procedure. M.P. Antonio Cuenco, one of the key impeachment advocates, told reporters that the development was "irregular" and "dilatory." About one minute after the papers were finally stamped and numbered by the secretary general, 109 KBL M.P.'s filed a counter-resolution calling for a confidence vote on the president.

It called the impeachment resolution "nothing more than a product of unsubstantiated news reports, irresponsible speculation and gossips and baseless conclusions motivated by petty partisan intentions." It said the resolution "does not conform with the serious standards and grounds for filing impeachment proceedings provided in the Constitution and the rules of the Batasang Pambansa (National Assembly)."

The impeachment effort, backed by anti-Marcos protest groups, stemmed from charges that the president had stashed ill-gotten wealth in the United States. A scandal erupted here last month after the SAN JOSE MERCURY NEWS of California named Mr Marcos and other officials as secret owners of multimillion-dollar U.S. properties. The president denied the report.

KBL leaders held a news conference, shown live by state-run television, immediately after the contrasting resolutions were filed and brushed aside the opposition's charges. "None of these properties is owned by the president," said Deputy Premier Jose Rono, who also denied that Mr Marcos had deliberately violated the Constitution.

The opposition had said Mr Marcos's constitutional violations included juggling funds from one ministry to another, and appointing an elected official, his wife's brother, Governor Benjamin Romualdez, as ambassador to Washington. Mr Rono said the impeachment effort was "political propaganda."

The opposition move is widely seen as a symbolic effort against Mr. Marcos. The opposition admits that the KBL can defeat their resolution at the level of the committee on justice which has jurisdiction over impeachment proceedings. The head of the committee, Justice Minister Estelito Mendoze, is the same official assigned by Mr. Marcos to investigate the U.S. property charges.

DEFENSE COMMITTEE JOINS REVIEW OF U.S. ALLIANCE

HK130425 Manila Far East Broadcasting Company in English 2300 GMT 12 Aug 85

[Text] The Batasang Pambansa last night [12 August] gave its Committee on Defense concurrent jurisdiction over resolution 572, calling for the abrogation and renegotiating of the RP [Republic of the Philippines]-U.S. military bases agreement. This means that the Defense Committee will be joining the Committee on Foreign Affairs in the consideration of the resolution which was introduced by Defense Minister Juan Ponce Enrile and 83 other KBL solons. The Defense Committee is headed by Minister Enrile himself, while the Committee on Foreign Affairs is presided over by Arturo Tolentino.

Speaker Nicanor Yniquez made the ruling following a motion claiming primary or concurrent jurisdiction over resolution 572. Minister Enrile said he had no desire to deprive the Committee on Foreign Affairs over the resolution, but insisted that his committee should also at least have concurrent jurisdiction over the measure.

COURT GRANTS BAIL TO OPPOSITION LEADER DAZA

HK130431 Hong Kong AFP in English 0415 GMT 13 Aug 85

[Text] Manila, Aug 13 (AFP) -- A Filipino opposition leader who returned home yesterday from 12 years of self-imposed exile in the United States was granted bail by a court here today after he pleaded innocent to subversion charges. Former Liberal Party Congressman Raul Daza paid 50,000 pesos (2,688 dollars) for his provisional liberty at his arraignment on charges that he helped mastermind arson and bombing attacks here in 1979-80 that left an American woman dead.

Prosecutors did not oppose Mr Daza's petition for bail, citing President Ferdinand Marcos's assurance of safe conduct to his Filipino foes based in the United States. Mr Daza was a trusted political associate of the president's top rival Benigno Aquino, who was shot dead allegedly by a soldier at Manila Airport on August 21, 1983 on his return from self-exile in the United States.

"I am sure evidence would show that I am innocent," Mr Daza told reporters at the jam-packed suburban Manila court, where he was represented by 11 lawyers led by his Liberal Party chief, Jovito Salonga. Mr Salonga was acquitted of the same charges days before he arrived here last January, also from voluntary exile in the United States. Some 50 people, including Mr Aquino, were charged with masterminding or taking part in the attacks staged here by the so-called April 6th liberation movement. An American woman shopper was killed in a supermarket blast.

Mr Daza asked the court for a "speedy trial" of his case, which was filed by military lawyers. Court sources said at least 16 of Mr Daza's co-accused had been convicted, many of them in absentia. Chief Prosecutor Sergio Apostol told reporters that he had five witness and 2,600 pieces of "documentary evidence" lined up against Mr Daza.

SOCIAL DEMOCRATS STATE OPPOSITION PLATFORM

HK131034 Hong Kong AFP in English 1001 GMT 13 Aug 85

[Text] Manila, Aug 13 (AFP) -- A social democratic opposition alliance was launched here today as the "people's alternative" to President Ferdinand Marcos's government and allegedly communist-backed groups in the coming elections. Advocating a "non-fascist, non-communist" coalition government, the Bandila alliance told a news conference it was for the "building of a genuine participatory people's democracy" in the Philippines.

"We are clearly biased towards the poor and unity of the country," said Bandila spokesman Agapito "Butz" Aquino, younger brother of slain opposition leader Benigno Aquino. Bandila chairman Teofisto Guinggona, an economist, said communist insurgents waging a countryside guerrilla war had infiltrated legal political groups.

Bandila, an acronym for a Filipino name meaning "people's unity in spirit and vision," includes anti-Marcos groups that used to belong to the New Patriotic Alliance (Bayan), an alleged leftist organization. The launching of the country's first open social democratic alliance came amid much speculation about a snap election this year. Provincial and municipal polls are officially set for May 1986 and the presidential election for 1987. Mr. Aquino said Bandila included more than 80 "cause-oriented" organizations which "can more effectively pursue a program towards the dismantling of the U.S.-Marcos dictatorship."

OPLE SAYS ELECTION THIS YEAR 'INEVITABLE'

HK130007 Manila Far East Broadcasting Company in English 2300 GMT 12 Aug 85

[Text] Labor and Employment Minister Blas Ople said yesterday [12 August] a presidential election in 1985 is inevitable due to political and social tensions that are tended to be aggravated by present developments. He said the election of a president together with a vice president will help stabilize the political framework. This political framework, according to the labor minister, will help in the making of long-term economic and business planning.

Minister Ople gave his views before the induction of labor, management, and government members of the tripartite council from the electronics industry.

At the same time Minister Ople also disagreed with member of parliament Arturo Tolentino, who earlier said that President Marcos cannot run for reelection upon vacating his office by resignation because this was not contemplated by the constitutional amendment. He said the qualifications and disqualifications of a candidate are enumerated in the Constitution. He added that the resignation of an incumbent president is not one of the ineligibilities listed in the constitution.

Meantime, opposition members of the Batasan will file a resolution today calling for the impeachment of President Marcos. Homobono Adaza said the resolution and its accompanying complaint allege culpable violations of the Constitution, high crimes, and graft and corruption. He said it will be introduced into the National Assembly for consideration by the committee on justice, human rights, and good government. The resolution is given little chance of surviving in the assembly, which is dominated by the KBL.

VERITAS DISCUSSES SNAP ELECTION PROSPECTS

HK130303 Quezon City VERITAS in English 11 Aug 85 p 4

[Editorial: "It's Later Than We Think"]

[Text] People laughed when VERITAS, as early as May 19, 1985, predicted that there would be presidential elections this year. People are no longer laughing, for all indications show that the snap elections will take place this November or soon after. President Marcos, running true to form, said that the issue was not actually settled yet, that the decision would be made within the next month or so, depending on what the opposition will do in the Batasan.

The presidential demurrer, however, is a transparent poly to keep the opposition guessing. For if he makes a categorical announcement that the poll will definitely be held this year, then the opposition could shift into high gear to put its unification act together. Despite Mr Marcos' attempts to keep the opposition off balance, all the signs point to an early election.

It has become increasingly clear that the national recovery effort has not gotten off the ground because of the fears of the international banking community and of potential foreign investors that the government is not stable enough. If it is not stable, it would be too risky to lend the country more money or to invest new capital here. Why throw in good money after bad?

What better way is there than for Mr Marcos to prove that he is in control by calling early elections and getting a fresh mandate from the people? There is, to be sure, a serious element of risk in such a course of acting. There is a distinct possibility, considering the temper of the times and the widespread disenchantment with the regime, that Mr Marcos would lose.

But there are ways of dealing with that risk, or at least of minimizing it. For instance, Mr Marcos could insure easy sailing for the KBL in the Comelec by appointing new commissioners whose sympathies for the regime are beyond doubt. For another instance, he could take steps to guarantee that he would have a cooperative Supreme Court.

When one considers the Philippine situation in its totality, one cannot but conclude that Mr Marcos has no option but to call an early election. If he waits for the opposition in the Batasan to file impeachment proceedings, then, even if the proceedings do not prosper, they would be entered into the record and Mr Marcos would go down in history as the only president against whom impeachment moves were made. In the face of his overwhelming hubris, Mr Marcos will never stand for that.

Certainly, the presidential election cannot be held after the local elections as embodied by law. Nationwide disaffection with the present KBL leadership would indubitably result in serious reverses for the ruling party. This, in turn, would mean that the opposition machinery on the local level would be advantageously placed for a presidential poll. But if this poll were scheduled ahead of the local elections, then the reverse holds true. The KBL machinery is in place, and that of the opposition is in disarray.

Furthermore, there remains the uncertainty about the president's health. If he were to wait until 1987, there would be the risk that he may not be strong enough to cope with the rigors of a presidential campaign. How can an ailing president win re-election? And how can he hope to retain control over his men particularly if these men also have presidential ambitions?

The political weather vane points to an early presidential election because it would be to Mr Marcos' advantage not to wait until 1987. This is even more true, if, as so many people are inclined to believe, he wants Mrs Imelda R. Marcos to succeed him. Now that he is still in control of the party, he can ram through her vice-presidential candidacy. It may not be so easy to do this if his control has started to falter. At this point, it would be interesting to find out who Mr Marcos' running mate would be. If the KBL fields a Marcos-Marcos ticket, then it would be unmistakably clear that the state of the president's health is not as it should be. If Mr Marcos handpicks a politician from the Visayas or Mindanao -- say Deputy Prime Minister Jose Rono, to mention only one -- then it would mean that he has every confidence of living up to his famous statement that he does not intend to die.

If he chooses a running mate who is acceptable to those with oppositionist inclinations but who may not be happy with the opposition's choice for a presidential standard-bearer, then he would be confessing that his victory is by no means the cinch that he proclaims it will be and he must wean votes away from the opposite camp to bolster his chances. Who might such a candidate be? Coffeeshop scuttlebutt sees the name of Lt Gen Fidel V. Ramos repeatedly surfacing. He certainly has a lot of friends in the anti-Marcos camp. But the good general, VERITAS has been told, is just as repeatedly vehement in saying that he has no political ambitions.

With the signals coming in loud and clear that the nation must brace itself for a presidential election later this year or early next year, the people's attention turns to the opposition. What are its leaders doing to demolish the walls of division and forge a united front? If the election is held within seventy days, will it be ready to present one candidate whom the various factions can support wholeheartedly and without any reservations? Will the unification process be followed faithfully by all concerned, or will there be mavericks who will press their presidential ambitions despite the previous agreement?

It is later than we think. The opposition will do well to realize that -- and to act accordingly.

MARCOS ORDERS RETRAINING FOR ERRANT TROOPS

HK121601 Manila BULLETIN TODAY in English 12 Aug 85 pp 1, 14

[Excerpt] President Marcos has ordered the "retraining-in-place" of erring military personnel so as to deplete the troop strength and combat effectiveness of Armed Forces units involved in the counter-insurgency drive. The president, who is also commander-in-chief of the AFP [Armed Forces of the Philippines], announced the order last Thursday in Camp Crame where he spoke on the occasion of the 84th and 10th anniversary celebrations of the Constabulary and Integrated National Police, respectively.

Erring military personnel are usually pulled out from the field and sent to seven training camps elsewhere for retraining. Those found to be "incorrigible" are discharged outright and those who could be reformed are sent to the retraining centers. Dissidents appear to have taken advantage of the reduced manpower strength and combat power of the affected military field units by attacking small military detachments, patrol bases, townhalls in the countryside, paramilitary posts and government troops.

The president explained that this "mistake" of pulling out combat soldiers for re-training outside their area of assignment should not be repeated. Instead, the president ordered the return of the troopers for "retraining" on their place of assignment.

PRESIDENTIAL CANDIDATE LAUREL BEGINS CAMPAIGN

HK121557 Manila BUSINESS DAY in English 12 Aug 85 p 12

[Text] Iloilo City -- Former Sen. Salvador Laurel Saturday virtually fired the opening salvo for his bid to challenge President Marcos in a presidential election should it be held in November, this year, telling a crowd of 10,000 that "We are not afraid to fight Mr. Marcos." "These are the last days of Marcos," Laurel declared before a convention of a local opposition party, Hilway (Free), at the University of San Agustin gym. He even encouraged President Marcos to call a snap election "so he will know what the people think of his regime."

While he said he advocates the use of peaceful means to unseat Marcos, Laurel who is the presidential candidate of the United Nationalist Democratic Organization, warned that "We will resort to violence if necessary" and told his followers "We must be ready to give up our lives."

"We will do it because we love our country," he added. Although he said his speech was "not technically and legally" a campaign speech yet, Laurel said "it could serve as the opening salvo of the Filipino people's fight against President Marcos." Laurel said Marcos has lost his credibility and welcomed the chance to challenge him in a snap election in November "despite the fact that it is morally wrong" for the president to resign and run again.

In his speech, Laurel used the "hidden wealth" controversy to rally the people behind the opposition's cause to remove Marcos from power "since he is only blocking the way to democracy." He said one of the first things he will do if he does get elected president is to set up a "credible" government and work for more effective solutions to the peace and order problem of the country. He also said he "will get back those properties abroad and return these to the Filipino people."

Laurel said there is also a need for a new Constitution "which reflects the true aspirations of the Filipino people." He said he will call for a return to the presidential system where the president will serve a single term of six years only without reelection.

COLUMNIST QUESTIONS WHETHER MARCOS SHOULD RUN

HK121558 Manila BUSINESS DAY in English 12 Aug 85 p 4

["Here and Now" column by Francisco S. Tatad: "Should He or Shouldn't He?"]

[Text] Can Ferdinand Marcos run again 45 of 60 days after he resigns the presidency in order to create the vacancy that will make snap presidential elections possible? The justice minister says the law is much too clear to warrant any debate. Others argue this was not the intention of the Batasan when it wrote the present succession provision of the Constitution.

In 1984, in order to stabilize the line of succession, the interim Batasan wrote into the Constitution a provision restoring the vice-presidency, which had disappeared in 1973 when Marcos promulgated the new Constitution.

At the time, the Constitution provided that in case Marcos died, was disabled, removed or resigned from office, the Executive Committee headed by the prime minister (and with Mrs Marcos as its most powerful member) would exercise the powers of the president until a new president shall have been elected, and qualified.

In case the vacancy occurred earlier than 18 months before the expiration of the president's term, a special election would be held not earlier than 45 days nor later than 60 days from the time of call to elect a president to serve the unexpired term. In the absence of an Executive Committee, the speaker shall act as president until the president shall have been elected and qualified.

This created more instability than stability, in the minds of most. They were afraid of Mrs Marcos. In 1984 therefore, after much resistance to the idea, Marcos consented to a new provision saying that in case he dies, is permanently incapacitated, removed or resigns from office, the speaker becomes acting president until a new president shall have been elected and qualified in special elections for president and vice-president which shall be held not earlier than 45 days nor later than 60 days from the time of call.

The obvious presumption at the time was that Marcos would never resign unless it was for good; that if he resigned, it was because he was physically finished, and that somebody else would be running in his place. So there was never any discussion of the possibility of his resigning only to run again in order to obtain "a new mandate." But the law itself does not contain anything that bars him from running again after resigning his office.

It would seem therefore that Marcos can run again -- if he wishes. But should he do it? That, I think, is the more pertinent point.

Is he physically fit to stand the rigors of an honest-to-goodness nationwide campaign, given reports that he has become extra-sensitive to dust, pollens and common grass? Will he be in a position to expose himself to hostile crowds, or will he limit his campaign to televised speeches inside banquet halls and large conference centers before controlled audiences of barangay leaders and Armed Forces personnel in civilian clothes? Will he be able to guarantee to the national its first clean and honest presidential elections in years while he himself runs as a candidate?

Whether or not Marcos should run again should, in my view, be viewed more from that last point. A midterm presidential election is needed to regain international confidence and rekindle the enthusiasm of the population in government. But it could achieve the very opposite results if the process were impaired by irregularities. The non-outstanding quality of recent appointments to the Comelec [Commission on Elections], the leadership's hostility to the National Citizens Movement for Free Elections, which virtually assures Namfrel of non-accreditation as a citizens' arm in the next election, the continuing harassment of critics in the press, and the ever-growing threat to independent businessmen who support or identify with non-KBL causes -- these, among others, seem to point out that Marcos would be better able to guarantee clean and honest elections, if he was not a candidate.

It will be argued that the moment he resigns, he would no longer be president and no longer in a position to influence the conduct of the election, except perhaps in a very limited way as a candidate. It may appear so in theory, but not in practice. In reality, the speaker who would be acting president for 70 to 80 days would be living in a world dominated by the political machinery of Mr and Mrs Marcos; it is naive and illusory to believe that he would be able to act independently of the wishes of the temporarily resigned president. He may, in fact, never think of moving into Malacanang and governing from there for 70 to 80 days, for fear of being criticized as ungracious by its immediate past occupants.

It would seem then that the best way to guarantee clean and honest elections is for Marcos to shift his vision to a more substantial ambition -- that of leaving the nation, at the end of 20 years in the presidency, the real beginnings of a fair and free democratic electoral process. This demands some personal sacrifice. But everyone else has sacrificed -- wealth, honor, liberty, life itself. The nation has bled and suffered for so long, does it scandalize anyone to suggest that the leader should now be asked of sacrifice for it?

More than any other political figure in our history, Marcos has shown so much skill and talent in the acquisition of power. The time has come for him to show that what he has acquired he can now give up, that he can detach himself from the grip of political power in order to put it in the hands of the people, where it truly and finally belongs, and where it can be used to serve the greatest good.

LABOR MINISTER SEES RONO AS MARCOS' RUNNING MATE

HK130745 Dagupan City DZDL Radio in Tagalog 0445 GMT 13 Aug 85

[Text] In an interview at the Kapihan sa Maynila [Manila Coffeeshop] held at the Manila Hotel yesterday, Labor Minister Blas Ople said that Deputy Prime Minister Jose Rono was the likeliest official KBL candidate for the vice presidency in the forthcoming snap elections.

He said: Deputy Prime Minister Rono will become President Marcos' running mate because his name is at the head of KBL ranks, if we are to speak of his loyalty and confidence. Ople explained, Rono comes from the south, and the president is from the north, which makes for a very good combination so that [words indistinct].

In his talk the labor minister also said that the ensuing months will be crucial on the decision of the ruling party about holding snap elections.

MILITARY, POLICE ALLOWANCES TO INCREASE

HK091325 Quezon City Maharlika Broadcasting System in English 1100 GMT 9 Aug 85

[Text] In another development, the president today set the effectivity of the increase of quarters and subsistence allowances of military and police personnel. Again, Bert Marsupio reports:

[Begin recording] President Marcos announced today that the increase in quarters allowances of the uniformed members of the Integrated National Police [INP] under Executive Order No 1050 will take effect on 16 August, and the increase in subsistence allowance of the Armed Forces of the Philippines and INP personnel from 12 pesos a day to 20 pesos under Executive Order No 1049 starts on 1 September.

The twin directives were signed by the president yesterday during the observance of 84th Philippine Constabulary and 10th INP anniversaries at rites in Camp Crame, Quezon City.

The chief executive ordered the increase in quarters allowance of uniformed INP personnel revised from PD [Presidential Decree] 855 that prescribes reasonable allowances for the police and (enforcement service) personnel to compensate for the difference in the cost of living in different regions of the country. That was to ensure the effective maintenance of well-disciplined law enforcement force. The president also attributes it to the fact that the present quarters allowance of the uniformed members of the INP is no longer adequate [words indistinct] of the difficulties brought about by recession and inflation.

This is Bert Marsupio reporting from Malacanang. [end recording]

COURT REFUSES TO DROP CHARGES AGAINST TATAD

HK091501 Hong Kong AFP in English 1444 GMT 9 Aug 85

[Text] Manila, Aug 9 (AFP) -- A court here today denied a motion by former Information Minister Francisco Tatad asking to drop graft charges filed against him by the government, the Philippine News Agency (PNA) reported. Anti-graft court Judge Romeo Escareal said the court found no factual or legal grounds to sustain the pleading of President Ferdinand Marcos' former spokesman to drop the five charges, the state-run agency said.

Court officials could not be reached for confirmation.

State prosecutors have accused Mr Tatad, 45, of demanding a bribe for releasing payment to a printing firm for a finished project and unfairly awarding a government contract to a brother-in-law's firm during his term in the cabinet. He also was charged with three counts of failing to file sworn statements of his assets and liabilities in 1973, 1976, and 1978. Mr Tatad served the president from 1969 to 1980, when they parted ways and he became a government critic.

Mr Tatad, who was freed on bail after the court ordered his arrest last month, contended that he was being deprived of justice by the prosecutors, who he said lost jurisdiction over the cases due to delays in filing the charges. The graft charges were filed at the ombudsman's office by Mr Tatad's former aide at the Information Ministry after the minister broke with the president over political differences. Prosecutors brought the charges to court only last July 12.

Mr Tatad denied the charges and said Mr Marcos merely wanted to harass him to draw attention away from a property scandal involving the president. The opposition is preparing impeachment proceedings against Mr Marcos over the scandal.

Mr Tatad, now an oppositionist and newspaper columnist, had been blasting Mr Marcos over the report by a U.S. newspaper which alleged that prominent Filipinos including the president illegally acquired multi-million dollar properties abroad.

Mr Tatad's arraignment has been set for Monday.

VALENCIA ON IMF CONDITIONS, BUSINESS PROBLEMS

HK130113 Quezon City Maharlika Broadcasting System in English 0100 GMT 12 Aug 85

["Analysis of the News" by Teodoro Valencia]

[Text] [Words indistinct] the news that we read in the morning papers, the government and the International Monetary Fund cannot agree on how to carry out some of the additional conditions we must perform to earn the continued support of the IMF. One point of disagreement is the composition of the board of directors of the regulatory agencies of the sugar and coconut subsectors. Other irritants are in the fields of the incentives and pricing. In other words, the International Monetary Fund would like to tell us who should be in the sugar body, who should be in the coconut regulatory commission. These conditions will be incorporated in a revised letter of intent which we have to finalize this month or next month for submission to the IMF [words indistinct] but all we do is worry about how to please the International Monetary Fund, for while they have agreed to give us the money, given the amount, they reserve the right to change their mind at any time, at any point in time.

Well, I think the best thing we can do under the circumstances is to do what we think is best for ourselves, and if the International Monetary Fund would like to run the country also in return for loans, we should have second thoughts about selling the country down the river just to please the International Monetary Fund. Do you know, for example, that the IMF has also political implications, and that some governments dominate the International Monetary Fund, ergo, while the concern of the IMF is economics, it has also political duties to perform on the side?

Now, we don't know anymore what to expect. One day, they say: Well, we are trying to open the floodgate for importations. The next day, they say: What about the local manufacturers? To give you just an example: We are being offered used trucks by Japan, but the local manufacturers of trucks say: What about us? We will be ruined if you allow the importation of somewhere between 500 million pesos and 100 million, even up to 1 billion, of used trucks. We are paying our debts to put up the financial requirements for truck manufacturing or truck assembly in the Philippines, but, you know, our experience has been very bad. During the heady or the boom years of the car manufacturers or car assembly organizations in the Philippines, like Ford, Nissan, etc., the Filipinos were paying something like 20 to 30 percent more for locally assembled cars when they could have imported one, pay the duties, and still save 30 percent.

Again, in the matter of capitalization of banks and finance institutions, in obedience to the International Monetary Fund, our Central Bank, the Security and Exchange Commission kept increasing the ante. In other words, you cannot put up a financing company unless you have a capital of 10 million. Later, they will make it 20 million, in the case of banks. Now, they tell us 1 billion is the comfortable capitalization.

Now, who wants to invest more money in a climate like we have now? In other words, when nobody makes money and the probabilities for losing money are great, who wants to invest more? And yet, by compulsion of regulations promulgated by the Central Bank and by the Security and Exchange Commission, people who want to engage in banking or financing companies must put up the capital, more and more and more. Eventually, most of the Filipino investors will bow out on the banking business, of the financing enterprises, and who will come in, who will monopolize? The aliens. The Chinese, the Americans, the Europeans. We will become customers in our own country. Consumer, in a manner of speaking, because even the production end of the locally needed products will be handled by foreigners.

So many people get discouraged, they don't want to go into investments, they don't want to go into business. All they want to do is to lend money at high interest, and live on the interest of their money. The idea is to discourage Filipinos from handling the business, the industry, and the banking in their own country, for the better or the easier to bring in these foreigners who will dominate our economy and eventually our country. For in the end, economic dominion over a country would also control the politics of the government of that country.

NUMBER OF COMMUNIST, NPA DEFECTORS INCREASING

HK121550 Manila METRO MANILA TIMES in English 12 Aug 85 pp 1, 5

[By Arnold Atadero]

[Text] The number of defectors from the Communist Party of the Philippines (CPP) and New People's Army (NPA) has dramatically increased lately. This was revealed in the 43-page "White Paper on Communist Insurgency in the Philippines" written by research staffs of the Ministry of National Defense, the Office of Media Affairs and the President's Center for Special Studies.

Quoting official military sources, the "white paper" said the "rigors of life underground in the cities or as guerrillas in the mountains have induced many CPP-NPA leaders to return to the government side." Among those who have defected were three members of the CPP Central Committee identified as Benjamin Bie, Victor Corpuz (not the renegade PC [Philippine Constabulary] Lieutenant) and Renato Casipe. Also, seven "guerrilla front" leaders and hundreds of NPA cadres and guerrillas have chosen to defect from their organization in recent months, "white paper" said.

The job of the military now is to see to it that CPP-NPA returnees are given ample protection. They have become targets of NPA "killer squads," the paper said. Defectors are generally considered by the CPP-NPA leadership "traitors" who must be executed.

An example is Jaime Bernal, a key witness in the subversion case against Central Committee and National Democratic Front (NDF) head, Horacio "Boy" Morales, a former top executive of the Development Academy of the Philippines (DAP) who defected to the enemy side in the mid '70s. Morales, however, was captured by military intelligence agents in Manila after several years of hiding.

The military said witness Bernal was gunned down in October 1982 in Espana Boulevard, Sampaloc "although he had done the insurgency signal service: In 1981 he had organized the shipment to the Philippines of 150 Russian-made AK-27 assault rifles from the Middle East." Bernal was killed because he was about to reveal sensitive information about the CPP-NPA to a military court, the white paper said.

Quoting defense and military officials, the white paper predicted that the "exodus" of NPA leaders, members and followers (mass base) would step up with the impending implementation by the government of a comprehensive rehabilitation program for dissident defectors. "What is now the NPA's answer to the government's rehabilitation program?" it was asked.

As conceived by government planners, the rehabilitation program will offer amnesty to qualified dissident returnees; gainful employment so that they can start a new life; loan assistance; security against retaliation from former comrades and the chance to resume their studies.

The executive order providing for the rehabilitation of all dissidents throughout the country was signed by President Marcos during the anniversaries of the PC and INP [Integrated National Police] at Camp Crame last Thursday. The program is an expanded version of the rehabilitation program for Moro National Liberation Front (MNLF) rebel returnees. It was noted that several top MNLF commanders who rejoined the government now occupy key positions in the two autonomous government in Southern Philippines.

Government planners were optimistic that the national leadership would succeed in getting NPA dissidents and their followers to return to its side because it has been effective in the pacification drive in Mindanao. A check made at the AFP [Armed Forces of the Philippines] Civil Relations Service (CRS) showed that about 54,000 MNLF members and their followers have returned to the government side since the MNLF rehabilitation program was launched several years ago.

Military officials observed that the NPA rehabilitation program will clear the way for the surrender of many top members, many of them already reportedly tired of their guerrilla life.

The same official said the program was a major part of the ongoing counterinsurgency drive, better known in military circles as the "left-hand" effort. The "right-hand" effort, of course, is the use of AFP combat units against NPA guerrillas who number between 10,000 to 12,000, according to the latest intelligence reports of the military.

BUSINESS GROUP SAYS ECONOMY RECOVERING

HK130437 Manila Far East Broadcasting Company in English 2300 GMT 12 Aug 85

[Text] A (?financial) productivity council says Philippines economy has started to recover; this, after suffering a slump due to the effects of devaluation, high inflation, and high interest rates.

Chairman Raul Concepcion said that the economic recovery followed the passage by the government of remedial measures to tackle the economic ills. Concepcion spoke at the Kapihan sa Manila [Manila Coffeeshop] breakfast conference of the Manila Hotel. He said that things are definitely better now than in the second semester of 1983 with a 40 to 45 percent improvement in the country's economic performance.

Concepcion's observations run counter to those of Bernardo Villegas of the center for research and communications. Concepcion [as heard] claimed that the real national recovery will still start in the first quarter of next year.

POLITICAL, SECURITY ISSUES DETER INVESTORS

HK120631 Hong Kong AFP in English 0412 GMT 12 Aug 85

[Text] Manila, Aug 12 (AFP) -- Foreign and local investors remain bearish about the Philippine economy despite sure signs of recovery from a crippling crisis that struck in late 1983, businessmen and economists said here today. Speakers at a freewheeling press forum cited political uncertainty and peace-and-order problems among the reasons for investors' mood of reluctance.

Manila declared a technical default on part of its \$26 billion foreign debt in October 1983 at the start of political turmoil over the murder of opposition leader Benigno Aquino two months before. Investments froze, capital fled and industry nosedived. The economy contracted by 5.5 per cent in 1984.

Jim Black, an official of the influential American Chamber of Commerce, said that there was "very little" new investment coming into the country during the current period of waiting. He added, however, that foreign investors remained optimistic about the country's future.

Bernardo Villegas, vice president of the Center for Research and Communication -- a leading private think-tank -- zeroed in on "political uncertainties" as the main cause of business fears. He said the current state of the economy convinced him that no snap presidential elections would be held this year because "it will make things more volatile."

The ruling New Society Movement (KBL) party said on August 1 that it was "seriously considering" a snap poll to get a fresh mandate for President Ferdinand Marcos in the face of an impeachment move by the opposition in parliament over the chief executive's alleged wealth stashed abroad.

Mr. Villegas said Filipino investors were as bearish as those in the United States and the Japanese, the country's top investors, and kept a large part of their capital abroad while awaiting better local conditions. "Until we sort out our political mess, I don't think we can get this equity," he said.

Industrialist Raul Concepcion said many were wary of investing even in agriculture, currently the brightest spot in the economy, because of the peace-and-order problem in the countryside, where communist New People's Army (NPA) rebels have stepped up their campaign.

Speakers at the forum agreed that economic recovery had begun, with the dip in inflation -- estimated last month at 18.8 per cent compared to a year before -- cited as the most encouraging development. Annual inflation peaked at more than 63 per cent last October.

WORLD BANK GRANTS AGRICULTURAL LOAN 31 AUG

HK130523 Quezon City Maharlika Broadcasting System in English 0400 GMT 13 Aug 85

[Text] The \$100 million agricultural loan fund from the World Bank will be made available to local banks by August 31. The money will then be relent at floating interest rates to farmers and other sectors in agriculture. The Central Bank will put up a counterpart peso fund to the agricultural loan.

LABOR MINISTER ON 'UNDERGROUND ECONOMY'

HK121611 Hong Kong AFP in English 0722 GMT 12 Aug 85

[Text] Manila, Aug 12 (AFP) -- An "underground economy" has thrived in the Philippines, cushioning the effects of a severe economic crisis that began in late 1983, a cabinet member and a prominent economist said here today. Labor Minister Blas Ople told a press forum that Filipinos, whether full employed or not, had devised ways of earning income informally "in response to the challenge of survival," particularly in the countryside.

Bernardo Villegas, vice president of a private think-tank, the Center for Research and Communication, said the informal economy accounted to 30 percent of gross national product (GNP) and prevented "a greater social crisis." Central bank figures show that the country's 1984 GNP totalled 93.3 billion pesos, or slightly over five billion dollars at current exchange rates. Manila declared a technical default on part of its 26 billion dollar foreign debt in October 1983. Firms closed, unemployment soared, capital fled and investments froze, although economists agree there are now signs of recovery.

Mr Ople, who cited as an example his driver whose wife sells sliced fresh pineapples, said the hidden economy explained the low official unemployment rate of about six percent. The labor force is estimated at 20 million. The minister said unemployment in metropolitan Manila, site of most major manufacturing industries, was 14 percent. He placed nationwide underemployment -- meaning working for less than 40 hours a week -- at 26 percent.

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